

EXHIBIT A

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----x Index No.:

CORAL REALTY, LLC, and CORAL
CRYSTAL, LLC et al.,

Plaintiffs,
-against-

**VERIFIED
COMPLAINT**

FEDERAL INSURANCE COMPANY,

Defendant.

-----x

Plaintiffs, CORAL REALTY, LLC, and CORAL CRYSTAL,
LLC(hereinafter "CORAL"), by their attorneys, WILKOFISKY,
FRIEDMAN, KAREL & CUMMINS, as and for its Complaint, state upon
information and belief, as follows:

AS AND FOR A FIRST CAUSE OF ACTION (BREACH OF CONTRACT)

1. At all times herein mentioned CORAL REALTY, LLC, was an
is a limited liability company duly organized and existing
pursuant to the laws of the State of New York.

2. At all times herein mentioned CORAL CRYSTAL, LLC, was an
is a limited liability company duly organized and existing
pursuant to the laws of the State of New York.

3. Upon information and belief, Defendant was and is a
foreign corporation duly organized and existing under and by
virtue of the laws of the State of New Jersey.

4. Upon information and belief, Defendant is duly licensed and authorized to conduct business of insurance in the State of New York including the issuance of the policy that is the subject of this action.

5. This Court has jurisdiction of this action pursuant to CPLR 3001 and 3017(b).

6. Venue in this Court is proper under CPLR 503(a)(c).

7. An actual case and controversy of judicable nature exists between the parties involving the right to an obligation of the parties under the FEDERAL INSURANCE COMPANY (hereinafter "FEDERAL") insurance contract.

8. Heretofore and on or about August 15, 2012, Defendant issued a certain policy of liability insurance wherein and whereby it insured Plaintiffs (hereinafter collectively "CORAL") under policy number 0099836120 00 for the policy period of August 12, 2012 through August 12, 2013, a copy of said policy annexed hereto as Exhibit "1."

9. Under the aforesaid policy, CORAL's properties, including the property located at 129 Third Avenue, New York, New York (hereinafter the "Subject Premises" and/or "129") were insured for, inter alia, property damage, business income and extra expense, ordinance or law combined coverage, arising out of "Direct physical loss or damage . . . from any Covered Cause of Loss."

10. On or about and after December 5, 2012, the aforementioned policy was in full force and effect.

11. On or about December 5, 2012, the Subject Premises suffered damage due to a covered peril.

12. Plaintiffs' premises at 129 Third Avenue was damaged as the result of work being performed at the adjacent premises 133 Third Avenue, New York, New York (hereinafter "133").

13. As a result of the damage to the premises, Plaintiffs have suffered losses covered under the policy of insurance in at least the sum of Seven Million Two Hundred Twenty-Five Thousand Seven Hundred Eight (\$7,225,708.00) Dollars.

14. On or about August 20, 2015 Plaintiffs, through a representative, submitted a claim in the estimated amount of \$832,364.00 to Defendant for anticipated Loss of Income and Extra Expenses arising out of the December 5, 2012 loss.

15. A Proof of Loss along with an estimate from Atlantic Estimating LLC. was submitted to Defendant for the sum of Seven Million Two Hundred Twenty-Five Thousand Seven Hundred Eight (\$7,225,708.00) Dollars, less a Ten Thousand (\$10,000.00) deductible. (A copy of said Proof of Loss is annexed hereto as Exhibit "2").

16. Defendant rejected the Proof of Loss that was tendered. (A copy of said letter dated August 28, 2015, rejecting the Proof of Loss is annexed hereto as Exhibit "3").

17. Defendant, through its representative, acknowledged coverage for the damages suffered to Plaintiffs' building at 129 Third Avenue. (Copies of letters, dated April 1, 2015 and August 28, 2015 establishing coverage are annexed hereto as Exhibits "4" and "3" respectively).

18. Defendant was provided with Plaintiffs' claim for incurred expenses of \$439,635.89 on June 2, 2015.

19. The August 28, 2015 letter, in pertinent part, states: "Federal has acknowledged through York Risk Services that the December 2012 damage to the building represents an occurrence for which coverage is available under the policy..."

20. Such August 28, 2015 letter as well stated: "...Federal will pay the reasonable and necessary costs for the repair or replacement of the damaged property..."

21. Defendant did not pay Plaintiffs on the Proofs of Loss submitted.

22. At the time suit was commenced, Defendant had paid Plaintiffs but the sum of \$15,871.62, net of depreciation and deductible. (See letter from Defendant's counsel dated April 1, 2015 annexed hereto as Exhibit "4"), as well as a second payment in the sum of One Hundred Thousand (\$100,000.00) Dollars by check dated August 2, 2016.

23. A meeting was held at the site of the loss on April 7, 2015, attended, among others, by counsel for Defendant, Defendant's engineer, adjuster, and building consultant.

24. Defendant, through York Risk Services Group, first estimated the cost of repairs to Plaintiffs' premises occasioned by the December 5, 2012 incident at the figure of \$15,871.62, net of depreciation and deductible.

25. Defendant conveyed to Plaintiffs' representative that its assessment of damages arising from the December 5, 2012 loss was the sum of One Hundred Twenty Thousand One Hundred Twenty-Eight and 87/100 (\$120,128.87) Dollars. (A copy of said letter is annexed hereto as Exhibit "5").

26. Demand was made upon Defendant to pay the balance of the difference between the amount of One Hundred Twenty Thousand One Hundred Twenty-Eight and 87/100 (\$120,128.87) Dollars, and the One Hundred Thousand (\$100,000.00) Dollars already paid, such difference being the sum of Twenty Thousand Twenty-Eight and 87/100 (\$20,128.87) Dollars.

27. Plaintiffs are entitled to at least the sum of Seven Million Two Hundred Twenty-Five Thousand Seven Hundred Eight (\$7,225,708.00) Dollars, less the Ten Thousand (\$10,000.00) deductible.

ADDITIONAL FACTS

28. CORAL repeats and realleges and incorporates by reference all the allegations herein as if more fully set forth herein.

29. Defendant owed CORAL a duty to act within all applicable standards of care in the underwriting of the subject policy.

30. Defendant owed CORAL a duty to act within all applicable standards of care in the servicing of the policy.

31. Defendant owed CORAL a duty to act within all applicable standards of care in communicating about coverage under the subject policy.

32. Defendant had and has a fiduciary obligation to act and take actions that were in CORAL's best interest.

33. Defendant breached its fiduciary obligations to CORAL.

34. Defendant engaged York Risk Services Group to act as its adjuster, including, inter alia, communicating with Plaintiffs, Plaintiffs' public adjuster; making and receiving materials and information demanded from Plaintiffs.

35. On February 17, 2013 Steven Harwood, P.E., of the firm SR Harwood Engineering, P.C., wrote a letter to the New York City Department of Buildings (hereinafter "DOB"), enclosing photographs a measurements, advising inter alia. that concrete had been placed against Plaintiffs' premises, that Plaintiffs' building had been damaged as a result, that the concrete placement imposed lateral forces against a wall of Plaintiffs' premises which were greater than the wall had been designed to resist, and that in the construction of 133 that Styrofoam was used, asserting that Styrofoam is "preloaded" and does not compress which could not therefore relieve the initial lateral pre stress. (A copy of said letter is annexed hereto as Exhibit "6").

36. Harwood recommended in his February 13th letter, in part, that:

- a) "All Styrofoam between the buildings [129 Third and 133 Third] above the first floor is to be removed. This will relieve the wet concrete loading upon the wall system;"
- b) "All concrete bearing against the 129 building needs to be removed;" and
- c) "All concrete adjacent to the 129 Building's columns needs to be removed to within the 133 property line, to respect the code stipulated seismic separation, and to allow differential movement between the buildings.

37. Plaintiffs provided Defendant with its estimate of the costs to repair 129 along with other elements of its claim.

38. Plaintiffs provided Defendant with the estimate of Atlantic Estimating, LLC.

39. Plaintiffs' proposed methodology for effectuating the repairs included:

- a) to alleviate the pressure from the adjacent building by demolishing part of the south facing structural shear wall of the adjacent structure;
- b) to repair the building façade to a watertight condition by replacing the existing EIFS system with a standing seam copper panel system; and
- c) to perform interior repairs to all floors.

40. Suit was commenced by Plaintiff Coral Crystal LLC against McArthur Morgan, LLC in 2012 in Supreme Court New York County by the filing of a Summons and Complaint to which Index No.: 158736/2012 was assigned.

41. Defendant commenced its own subrogation suit against McArthur Morgan, LLC, and others, in New York Supreme Court, bearing Index No.: 158239/2015, suing for a sum alleged to be in "excess of the jurisdictional limit of [the] court."

42. Defendant did not effectuate service upon McArthur Morgan until sometime in September, 2015.

43. In its Amended Complaint in its action against McArthur Morgan Defendant herein alleged (Plaintiffs' building in such action referred to as 201 East 14th Street, or alternatively as the 201 building):

9. On or about June 21, 2012, construction was commenced at the property located at 133 Third Avenue, New York, New York (hereinafter "133 Property"), to include the erection of a new multi-story building.

10. During the course of the construction, lateral forces were created against the 201 Building causing severe damage to the building.

11. On December 5, 2012, the northern wall of the 201 Building broke and/or crumbled.

44. On or about August 28, 2015 Defendant, through its counsel, indicated that it intended to negotiate with the owners of the premises 133 Third Avenue, McArthur Morgan, LLC. Defendant made the decision to negotiate directly with McArthur Morgan, LLC prior to having commenced its own subrogation suit against McArthur Morgan, LLC and others. (A copy of said letter is annexed hereto as Exhibit "3").

45. Defendant's actions and inactions, including negotiations with McArthur Morgan, were in derogation of its obligations and duties owed to Plaintiffs.

46. Defendant's actions and inactions, including its negotiations with McArthur Morgan, undercut Plaintiffs' positions and Plaintiffs' claims against McArthur Morgan.

Said letter also contained the following:

The repair proposal as submitted appears to incorrectly assume that the proposed stairway is required to conform to building code requirements. However, no building code or other requirements have been specified which would require such an elaborate or costly new, yet temporary structure. In our investigation of this issue, we have researched DOB requirements and determined that such an extensive temporary structure would not be required. Instead, a temporary light metal scaffolding type stairway with a roof and safety netting will be sufficient to meet minimum building code requirements (assuming any exterior stairway will not be necessary).

In this regard, we also draw your attention to the following provisions in policy form 10-02-1897 which provide coverage only for the minimum requirements of building codes affecting the demolition, construction or repair of buildings, and which states in pertinent part as follows:

B. Application Of Coverage

The coverage provided by this endorsement applies only if both **B.1** and **B.2** are satisfied and is then subject to the qualifications set forth in **B.3**.

1. The ordinance or law:

a. Regulates the demolition, construction or repair of buildings, or established zoning or land use requirements at the described premises; and

b. Is in force at the time of the loss.

But coverage under this endorsement applies only in response to minimum requirements of the ordinance of law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

47. The quoted statement, made by Defendant's representative, wrongly asserts that the NYC Building Code would only have the requirements stated.

48. The report of DBI Construction Consultants, LLC ("DBI") attached to counsel's August 28, 2015 letter indicates that DBI did a "preliminary study of the NYCDOB requirements" for a "light metal stair tower."

49. Another meeting was held at the loss site on September 3, 2015, at which time, inter alia, counsel for Plaintiffs and Defendant attended, as did their respective adjusters, as well as Defendant's building and engineering consultants.

50. By email, with attachments, dated October 14, 2015, Plaintiffs' Public Adjuster, Karl Denison, responded to the combined report prepared by DBI and Halliwell (Defendant's engineering consultant), enclosing attachments from Plaintiffs' building consultant, and responding to DBI's inquiries.

51. By email dated October 20, 2015, followed by letter of November 12, 2015, Defendant's adjuster, Cliff Hyde responded to Karl Denison's October 14, 2015. Included in such letter Hyde stated: "... if any temporary ingress/egress is required, it will only require a temporary stairway," and "that a temporary stairway with a light weight roof, enclosed with safety netting will be acceptable."

52. Hyde's representations, as set forth in the prior paragraph are inaccurate and not supported by the Administrative Code of the City of New York (NYC's Building Code).

53. Karl Denison replied to Hyde's October 20, 2015 letter by email dated October 23, 2015, advising, in part, that Hyde's letter was "not responsive to the insured's claim."

54. On November 11, 2015 Karl Denison wrote to Hyde again stating:

You wrote on October 23rd " the meeting dates which you propose for next week will not be possible. Once we have prepared our response, which we anticipate will be within the next two weeks, we will forward same to you and we can then set up a meeting, including at the site if you request." Two weeks has passed and we've yet to receive a response or proposed meeting dates. When can you provide a date certain of a response and proposed dates to meet with us?

55. Hyde responded by letter dated November 12, 2015, which referred to Structural Engineering's Drawings "S-110.00-111.00," (plans prepared on behalf of 3rd Ave.) stating same were approved by the DOB.

56. Hyde's November 12, 2015 letter as well stated that [Defendant] was "continuing to explore if a satisfactory arrangement could be made with the owners of 133 3rd Ave. to allow a repair of the EIFS of the Coral building from the exterior of 129 3rd Ave.

57. Hyde's November 12, 2015 letter included as an attachment DBI's November 6, 2015 "Interim Claim Analysis Report."

58. DBI's November 6, 2015 "Interim Claim Analysis Report" reflects that DBI was told and accepted the representation by ownership of 133 3rd Ave. that its plans had "been approved, subject to inspection."

59. Another meeting was held among representatives of Plaintiffs, Defendant and the owners of 133 3rd Ave on December 3, 2015.

60. After the meeting of December 3, 2015, counsel for Defendant forwarded engineering drawings counsel had just received detailing proposed work to be performed at the 133 3rd Avenue property.

61. After the meeting of December 3, 2015, and on that date, Plaintiffs' adjuster forwarded to Defendant's representatives a probe report prepared by Montrose Surveying detailing some of the encroachment of concrete into Plaintiffs' building.

62. On December 4, 2015 Plaintiffs' adjuster emailed Defendant's representatives and, in part, wrote:

Yesterday you as well claimed that the plans that were provided from 133 Third Avenue's representatives were approved by the DOB. You as well stated that you had been advised that the work set forth in the plans was going to begin shortly. The plans indicate that there will be no disturbance of the insured's building. As such you've consider them as fact and essentially having been completed as part of your repair scheme methodology , ignoring the insured claim. How can you support this knowing of the concrete encroachment on and into the insured building and again acknowledged during the meeting? In that **you and your consultants have been advised by the insured on multiple occasions that the initial plans you advised had been approved were not accurate, how do you reconcile that Chubb nevertheless has predicated its "settlement" position upon such plans and the representations made by 133 Third Avenue especially when you , and your own experts know that the plans are false in representation?** (Emphasis supplied).

* * *

In response to our request for the names of any contractor yesterday who has reviewed your scheme and would perform the repairs Chubb outlined, while stating that there would be dozens, you as well stated that you were unaware of even one who had said they would perform the repairs for the figure you've proposed. Do you really expect the insured to base settlement on inaccurate plans?

* * *

You stated that the DOB says a scaffolding/temporary type exterior staircase is sufficient for the insured's use . Would you please provide any and all documents,

emails, notes of any and all communications received by anyone from the "Chubb team" from the NYC DOB wherein the NYC DOB made any representations concerning a "scaffold" or any such temporary staircase?

63. Defendant has never responded to the information requested in the last paragraph.

64. Plaintiffs' adjuster wrote Defendant's representatives on December 17, 2015 stating, in part:

After much discussion surrounding the damages the insured has sustained we were pleased that Chubb confirmed that there "has never been an issue with coverage." It was as well heartening to have Chubb confirm that concrete from the 133 Third Avenue construction site is either on the EIFS, or that the concrete has penetrated through the EIFS and through the foam board, and that it has pushed against and through the insured's EIFS.

During each of the last two meetings, that is yesterday's meeting and the meeting of December 4th, Chubb promoted a plan that is still theoretical, and relies heavily upon actions to be taken by the adjacent property owner. Such plan has well was promoted without specificity as to the means and methods to be utilized, without any critical construction path schedule, and without the name of ANY contractor that would be willing to perform the promoted repair process.

As we mentioned yesterday we cannot understand, and we cannot recommend that the insured agree to a proposed repair process which is predicated on something that may or may not occur. While the New York City Department of Buildings may someday approve the proposed plan, it appears based upon the misrepresentations made by those representing 133 Third Avenue, and based upon the insured's premises being used as a dormitory for N.Y.U. that the plan likely will not be approved, and

if it were to be approved, that it would quickly be shut down. Yesterday again we stated the insured has suffered damage, that the claim submitted reflects a claim based on current actual conditions, not based upon theoretical conditions and scenarios that may or may not occur, which, as noted rely upon actions of the adjacent property owner. The claim as submitted is in accordance with the policy of insurance and should be honored. There is no other estimate or plan that now exists based upon the present condition of the insured's building.

We now understand that Chubb's evaluation of the claim yields a loss measurement of \$735,028.00. All Chubb representatives concurred that such loss measurement is on a repair basis and not subject to depreciation. While neither we nor the insured agrees that \$735,028.00 reflects the full measure of the insured's loss, given that Chubb confirmed that there were no coverage issues, and that the only issues that exist are how best to repair the insured's property we ask why Chubb has not paid the undisputed loss measurement it admits is owed. As was promised at the meeting, Chubb was to be contacted with a request for payment of the undisputed amount owing. We recognize that Chubb has not stated that the \$735,028.00 is the undisputed amount. Nevertheless, upon the facts set forth above it would appear to be the only sensible conclusion.

(Emphasis supplied).

65. By email of January 4, 2016, Plaintiffs' adjuster wrote to Defendant's counsel and adjuster including the following:

You have provided and evaluation of the claim submitted which indicates an analysis of \$1,560,221 and a subsequent analysis of \$735,028. When we met on December 16th 2015 Cliff acknowledged the loss evaluation was not

subject to depreciation. He did so when I asked what Chubb's Actual Cash Value calculation was of the insured loss. Unless there is another calculation Chubb has of the claim submitted Chubb should be issuing payment commensurate with the minimum undisputed amount of \$735,028.

Since Chubb and you as their representatives have acknowledged the loss is covered that payment at a minimum should be issued immediately without any further delay.

On June 2nd 2015 we provided you via DropBox incurred expenses, supported by invoices in the amount of \$439,635.89. Repeatedly you've stated you would review the invoices and get back to us about issuance of a second payment to the insured. Why has this not been done? Respectfully please explain why is Chubb withholding payments clearly due the insured?

66. Although Defendant was provided with Plaintiffs' claim for incurred expenses of \$439,635.89 on June 2, 2015, Defendant refused to pay Plaintiffs for such incurred expenses.

67. By letter of January 7, 2016, counsel for Defendant advised that the owners of 133 3rd Ave. had filed plans with the NYCDOB on June 17, 2015 which had been approved.

68. Defendant, its adjuster, and counsel ignored the repeated advice that the plans filed on behalf of the owners of 133 3rd Ave. were inaccurate, and that the NYCDOB had subsequently issued a SWO and rejected the plans.

69. Defendant's counsel's January 7, 2016 letter as well threatened Plaintiffs. Such letter by counsel included:

We expect the insured will have the opportunity

to begin preparation for the actual north wall repair from the exterior with a contractor of its choosing. Should the insured refuse to avail itself of an opportunity to perform the repair from the exterior and mitigate the claimed repair costs, Chubb will take such fact into account as part of its ultimate evaluation of the insured's claim and the determination of any amount which may be owed.

70. Counsel's letter also stated Chubb disagreed that it was obligated to pay Plaintiffs for Plaintiffs' incurred expenses of \$439,635.89.

71. Another meeting was held at the Plaintiffs' premises attended, inter alia, by representatives of Plaintiffs, Defendant and the representatives of the owners of 133 3rd Ave. on February 10, 2016.

72. Defendant, through York, sent Plaintiffs' adjuster a letter dated March 2, 2016 claiming that Plaintiffs' proposed methodology of effectuating repairs had not been demonstrated to be feasible.

73. Other than proffering the plans prepared on behalf of the owners of 133 3rd Ave., Defendant did not offer its own plans as to how to repair or remediate the damages caused to Plaintiffs' premises.

74. Such March 2, 2016 letter as well indicated that Defendant would "not agree at [such] time to issue an actual cash value payment based" on Plaintiffs' submitted claim.

75. Plaintiffs' adjuster responded to such March 2, 2016 letter on March 4, 2016 stating, in part:

On numerous occasions you and your consultants have stated "we don't know if there is concrete anywhere else except in the one unit" now the insured make's an offer to open up areas to determine one way or other if there concrete in and on the building and you now decline to meet with us.

Your letter also neglects to reflect quite a bit of our discussion and your agreement that our positions were not unfounded. In fact it concerns me that there may not be much chance of resolution in this claim through adjustment if you are unwilling to state all of the facts when addressing our discussion, only focusing on those self-serving out of context statements.

76. Defendant predicated its opinion based, in part on, submissions to the NYCDOB filed on behalf of McArthur Morgan. Such plans were improper for they failed to show the encroachment into plaintiffs' building.

77. Defendant was repeatedly advised that such plans were inaccurate. Defendant was provided photographs (see Exhibit "7" attached), evidencing some of the encroachment which evidences that the plans filed by McArthur Morgan were inaccurate.

78. By letter dated April 13, 2016, Defendant's adjuster advised that Defendant had we have "arranged for a license agreement with the neighboring property owner, McArthur Morgan, for access to make the exterior repair [to Plaintiffs' premises]." (See Exhibit "5" annexed hereto).

79. The same April 13, 2016 letter included as well:

We are advising you and the insured of this because it is necessary for the insured to have its contractor(s) prepared to proceed with the exterior repair of its north wall upon final execution of the access agreement with 133 3rd Ave. **The \$425,000 access license fee will be paid for in full by Federal Insurance Company,** along with the cost of the necessary exterior repair work, net of the prior building repair advance.

(Emphasis added).

80. The April 13 letter as well included the following threat:

Should the insured refuse to avail itself of this opportunity to perform the repair from the exterior, Federal Insurance Company will nevertheless take this repair opportunity into account as part of its evaluation and final adjustment of the insured's claim for exterior repair costs.

81. The permitted work to which Defendant's adjuster referred was revoked by the NYC DOB on or before April 13, 2016 (See Exhibit "8" annexed hereto).

82. Permitted work relating to 133 3rd Ave. under permit numbers 122563387-01-EW OT; 120643330-05-PL; 120643330-01-NB; and 120653330-01-EQ PN were all revoked by the NYCDOB on or before April 13, 2016. (See Exhibit "9" annexed hereto).

83. By letter dated April 14, 2016, Plaintiffs' adjuster transmitted Exhibit "9," evidencing the revocation of permits for work to be performed at the 133 3rd Ave. premises to Defendant's adjuster.

84. Plaintiffs' adjuster's April 14, 2016 letter included the following:

"...you have presented drawings upon which you and your consultants have indicated your repair value is based off of, which you know to be inaccurate, and not reflective of the known field conditions."

85. Through the date of this Complaint, Defendant has failed to have provided any of its own plans as to how to repair Plaintiffs' premises.

86. Defendant has stated that the repairs to 129 should be made from the exterior of the 129 premises.

87. Defendant has relied upon drawings of Structural Engineering Technologies, PC filed on behalf of with the DOB, to wit drawings "S-110.00" and "S-111.00" (hereinafter "133's drawings") to support its assertion that the repairs to 129 should be made from the exterior of the 129 premises.

88. Plaintiffs' representatives advised Defendant's representatives that 133's drawings are inaccurate.

89. Plaintiffs' representatives advised Defendant's representatives that 133's drawings, in error, allege that the assertion in such drawings that the "existing adjacent" building [129] would not be disturbed during the work covered by such drawings is impossible.

90. Plaintiffs' representatives advised Defendant's representatives that 133's drawings fail to provide for a Tenant Protection Plan for 129.

91. By letter dated March 25, 2015 to counsel for Defendant, the following request was made: "...please advise if Federal Insurance Company has any coverage issues, in order that we can properly respond." (A copy of said letter is annexed hereto as Exhibit "10").

92. By email dated October 20, 2015, and again on November 12, 2015 by letter, Defendant's adjuster, Clifford W. Hyde, Jr., noted that "the major points of variance [between the parties] appear to relate to the nature of any temporary ingress/egress required while the repair is being made." (A copy of said email and letter are annexed hereto as Exhibit "11").

93. In Hyde's November 12, 2015 letter, Hyde as well represented that a drawing prepared on behalf of the owners of 133 Third Avenue, New York, New York, being the: "November 19, 2013 two page drawing by Structural Engineering Technologies, PC; Drawing S-110.00-111.00, which bears a June 17, 2015 DOB approval stamp" was a "public record on file with DOB." (Hereinafter "the drawing").

94. Hyde stated in such letter, referring to "the drawing" referenced in the preceding paragraph, that: "[W]e are informed that the DOB has approved the work shown on it subject to an

inspection."

95. Defendant's counsel and Defendant's adjuster have been advised on at repeated occasions that "the drawing" that was filed contained inaccuracies.

96. Defendant has failed to pay the balance of Plaintiffs' claims to which Plaintiff is entitled to recover.

97. Defendant is obligated to pay Plaintiffs at least the sums of the estimated amount of \$832,364.00 to Defendant for anticipated Loss of Income and Extra Expenses, as well as the sum of Seven Million Two Hundred Twenty-Five Thousand Seven Hundred Eight (\$7,225,708.00) Dollars, less a Ten Thousand (\$10,000.00) deductible for damages to Plaintiffs' premises.

AS AND FOR A SECOND CAUSE OF ACTION

98. Plaintiffs repeat, reiterate and reallege each and every allegation contained in the previous paragraphs, as if more fully and completely set forth at length herein.

99. Defendant, by and through its agents and employees, had a duty to fairly, timely and accurately adjust Plaintiffs' claims.

100. Defendant failed to fairly, timely and accurately adjust Plaintiffs' claims following the loss.

101. Defendant ratified the actions of its agents and employees by failing to pay Plaintiffs' losses pursuant to the Subject Policy.

102. Plaintiffs anticipate incurring additional consequential losses, inter alia, related to litigation costs, attorney's fees, architect fees and engineering fees related to this claim.

103. Defendant has breached the covenant of good faith and fair dealing that is implicit in the contract of insurance between Plaintiffs and Defendant, by not investigating and responding to Plaintiffs' claims in good faith, and by deceptively misrepresenting facts related to Plaintiffs' claims for this loss.

104. Defendant has breached the covenant of good faith and fair dealing that is implicit in the contract of insurance between Plaintiffs and Defendant, by not paying for the claim in a timely manner.

105. Defendant has breached the covenant of good faith and fair dealing that is implicit in the contract of insurance between Plaintiffs and Defendant by its failure to pay Plaintiffs' claims in their entirety.

106. The breach of contract and bad faith conduct of Defendant is a proximate cause of the consequential damages to the Plaintiffs.

107. The parties to this policy necessarily knew and should

have known that a breach of the covenant of good faith and fair dealing by Defendant would necessarily cause Plaintiffs to incur further losses including, but not limited to the aforementioned costs, fees and litigation expenses as a consequence of Defendant's breach.

108. As a result of the foregoing, Plaintiffs have sustained damages, including consequential damages, in the amount of at least the sums of the estimated amount of \$832,364.00 to Defendant for anticipated Loss of Income and Extra Expenses, as well as the sum of Seven Million Two Hundred Twenty-Five Thousand Seven Hundred Eight (\$7,225,708.00) Dollars, less a Ten Thousand (\$10,000.00) deductible for damages to Plaintiffs' premises.

AS AND FOR A THIRD CAUSE OF ACTION

109. Plaintiffs repeat, reiterate and reallege each and every allegation contained in the previous paragraphs, as if more fully and completely set forth at length herein.

110. Defendant has engaged in misleading and deceptive conduct by failing to adequately investigate and assess Plaintiffs' claims, failing to pay Plaintiffs' claims, and requiring Plaintiffs to retain counsel and commence litigation in order to obtain policy benefits.

111. Defendant has engaged in misleading and deceptive

conduct by constructively denying the balance of Plaintiffs' claim without basis.

112. As a result of Defendant's misleading and deceptive conduct, Plaintiffs have had to institute this action in order to obtain payment for their claims.

113. The misleading and deceptive actions of Defendant and its agents and employees toward Plaintiffs, in failing to promptly and properly investigate, assess, pay, adjust, appraise and/or otherwise pay and recompense Plaintiffs for their losses pursuant to the policy constitute deceptive business acts and practices, as proscribed by Section 349 of the General Business Law of the State of New York.

114. Defendant's coverage form in the policy is a standard form issued to many similarly situated insureds in New York State and Defendant's conduct is of a nature that is likely to be repeated in the future.

115. As a result of the actions complained of, Plaintiffs are entitled to treble damages up to One Thousand Dollars (\$1,000.00), plus reasonable attorneys' fees.

AS AND FOR A FOURTH CAUSE OF ACTION

116. Plaintiffs repeat, reiterate and reallege each and every allegation contained in the preceding paragraphs, with the same force and effect as if more fully and completely set forth at

length herein.

117. Plaintiffs contend that Defendant failed to promptly and properly investigate, assess, pay, adjust, appraise and/or otherwise pay and recompense Plaintiffs for their losses pursuant to the policy.

118. Defendant has thus far not reimbursed Plaintiffs for all losses incurred.

119. As a result, there is an actual controversy among the parties on the issue of how much Plaintiffs may recover under the policy for their losses.

120. Plaintiffs assert this cause of action for Declaratory Judgment as there must be a prompt and expedited judicial determination as to what compensation is owed by Defendant for Plaintiffs' losses.

121. Unless the rights of the Plaintiffs and the liabilities of the Defendant are promptly adjudicated, jointly, in one forum, severe injury will result to the Plaintiffs.

122. As a result of the foregoing, this Court should declare that the Defendant in this case is responsible and liable to Plaintiffs for its failure to promptly and properly assess and pay Plaintiffs' losses.

AS AND FOR A FIFTH CAUSE OF ACTION

123. Plaintiffs repeat, reiterate and reallege each and every allegation contained in the preceding paragraphs, with the same force and effect as if more fully and completely set forth

at length herein.

124. Plaintiffs have petitioned this Court to compel Defendant to participate in appraisal.

125. Should the appraisal proceed, Plaintiffs demands that the Court compel Defendant to pay to Plaintiffs the amounts awarded in such appraisal.

WHEREFORE, Plaintiffs respectfully demand judgment as follows:

(a) On the First Cause of Action against Defendant in at least the sums of the estimated amount of \$832,364.00 to Defendant for anticipated Loss of Income and Extra Expenses, as well as the sum of Seven Million Two Hundred Twenty-Five Thousand Seven Hundred Eight (\$7,225,708.00) Dollars, less a Ten Thousand (\$10,000.00) deductible for damages to Plaintiffs' premises;

(b) On the Second Cause of Action against Defendant in at least the sums of the estimated amount of \$832,364.00 to Defendant for anticipated Loss of Income and Extra Expenses, as well as the sum of Seven Million Two Hundred Twenty-Five Thousand Seven Hundred Eight (\$7,225,708.00) Dollars, less a Ten Thousand (\$10,000.00) deductible for damages to Plaintiffs' premises;

(c) On the Third Cause of Action against Defendant in the amount of One Thousand Dollars (\$1,000.00), plus reasonable attorneys' fees; and

(d) On the Fourth Cause of Action declaring that Defendant in this case is responsible and liable to Plaintiffs for its failure to promptly and properly investigate, assess, pay, adjust, appraise and/or otherwise pay and recompense Plaintiffs for their losses, plus consequential damages including attorneys' fees, litigation costs and expenses, in an amount to be determined by the Court, together with interest thereon from October 29, 2012, and the costs and disbursements of this action; and

(e) On the Fifth Cause of Action, declaring that Defendant is liable to pay Plaintiffs for the sums awarded in appraisal, should appraisal proceed;

Altogether with interest, punitive damages, attorneys' fees, cost and disbursements of this action.

Dated: New York, New York
January 4, 2017

Yours, etc.,

WILKOFSKY, FRIEDMAN,
KAREL & CUMMINS

By:

DAVID B. KAREL
Attorneys for CORAL REALTY,
LLC, CORAL CRYSTAL, LLC
299 Broadway - Suite 1700
New York, New York 10007
(212) 285-0510

20151/15J125.L12
DK:dp

VERIFICATION

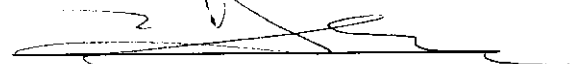
STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

I, CRIS ALCAMO, being duly sworn, says:

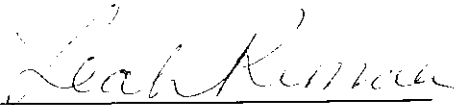
I am the Chief Financial Officer of the Plaintiff corporations in the within action; I have read the Verified Complaint and know the contents thereof; and the same is true to my own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters I believe it to be true.

CORAL REALTY, LLC, and CORAL
CRYSTAL, LLC et al.

By:


CRIS ALCAMO, CFO

Sworn to before me this
10th day of January, 2017



NOTARY PUBLIC

LEAH RIMAN
Notary Public, State of New York
No. 01RI6061956
Qualified in Kings County
Commission Expires July 23, 2017

EXHIBIT "1"



EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

 DATE (MM/DD/YYYY)
 6/19/2013

THIS EVIDENCE OF COMMERCIAL PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

PRODUCER NAME CONTACT PERSON AND ADDRESS Cortland Insurance Agency, Inc. 203 Avenue M Brooklyn NY 11230 FAX (718) 627-2984 E-MAIL ADDRESS: Policies@cortlandinc.com		COMPANY NAME AND ADDRESS Federal Insurance Company One International Blvd. Mahwah NJ 07495 IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH	
CODE: AGENCY CUSTOMER ID #: 00000533 NAMED INSURED AND ADDRESS Coral Crystal, LLC a New York Limited Liability Company 400 Broome Street New York NY 10013		POLICY TYPE Package LOAN NUMBER POLICY NUMBER 009 9836120 00	
ADDITIONAL NAMED INSURED(S)		EFFECTIVE DATE 8/15/2012 EXPIRATION DATE 8/15/2013 CONTINUED UNTIL TERMINATED IF CHECKED <input type="checkbox"/>	
THIS REPLACES PRIOR EVIDENCE DATED:			

PROPERTY INFORMATION (Use REMARKS on page 2, if more space is required) ☒ BUILDING OR ☐ BUSINESS PERSONAL PROPERTY

LOCATION/DESCRIPTION
 Loc# 00008/Bldg# 00001, 125 Third Ave., New York, NY 10003

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION		PERILS INSURED	BASIC	BROAD	<input checked="" type="checkbox"/> SPECIAL
COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE: \$		40,100,000 DED: 10,000			
<input checked="" type="checkbox"/> BUSINESS INCOME <input type="checkbox"/> RENTAL VALUE	YES NO N/A	<input checked="" type="checkbox"/>			
BLANKET COVERAGE		<input checked="" type="checkbox"/>			
TERRORISM COVERAGE		<input checked="" type="checkbox"/>			
IS THERE A TERRORISM-SPECIFIC EXCLUSION?			<input checked="" type="checkbox"/>		
IS DOMESTIC TERRORISM EXCLUDED?			<input checked="" type="checkbox"/>		
LIMITED FUNGUS COVERAGE		<input checked="" type="checkbox"/>			
FUNGUS EXCLUSION (If "YES", specify organization's form used)		<input checked="" type="checkbox"/>			
REPLACEMENT COST		<input checked="" type="checkbox"/>			
AGREED VALUE		<input checked="" type="checkbox"/>			
COINSURANCE		<input checked="" type="checkbox"/>			
EQUIPMENT BREAKDOWN (If Applicable)		<input checked="" type="checkbox"/>			
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg		<input checked="" type="checkbox"/>			
- Demolition Costs		<input checked="" type="checkbox"/>			
- Incr. Cost of Construction		<input checked="" type="checkbox"/>			
EARTH MOVEMENT (If Applicable)		<input checked="" type="checkbox"/>			
FLOOD (If Applicable)		<input checked="" type="checkbox"/>			
WIND / HAIL (If Subject to Different Provisions)		<input checked="" type="checkbox"/>			
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS		<input checked="" type="checkbox"/>			

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

<input checked="" type="checkbox"/> MORTGAGEE	CONTRACT OF SALE	LENDER SERVICING AGENT NAME AND ADDRESS
<input checked="" type="checkbox"/> LENDERS LOSS PAYABLE		
NAME AND ADDRESS		
Citigroup Global Markets Realty Corp. ISAOA, ATIMA c/o Wells Fargo N.A. Charlotte, NC 28256		AUTHORIZED REPRESENTATIVE

COMMENTS/REMARKS

Certificate holder is included as Mortgagee & Lenders Loss Payee. Certificate subject to 180 day extended period of indemnity.
coverages, conditions & exclusions on actual policy..

OFREMARK

COPYRIGHT 2000, AMS SERVICES INC.

GWFG 0006



CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)
 6/19/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
 Cortland Insurance Agency, Inc.
 203 Avenue M

Brooklyn NY 11230

INSURED
 Coral Crystal, LLC a New York Limited
 Liability Company
 400 Broome Street
 New York NY 10013

CONTACT NAME: Baila Greenberger

PHONE (A/C, No, Ext): (718) 627-1770

FAX (A/C, No): (718) 627-2984

E-MAIL ADDRESS: BailaG@cortlandinc.com

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: Federal Insurance Company

INSURER B: Allied World Assurance

INSURER C:

INSURER D:

INSURER E:

INSURER F:

COVERAGES

CERTIFICATE NUMBER: CL1352102409

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY						
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X	X	009 9836120 00	8/15/2012	8/15/2013	DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	<input checked="" type="checkbox"/> No Deductible/SIR						MED EXP (Any one person) \$ 5,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$ 1,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC						GENERAL AGGREGATE \$ 2,000,000
	AUTOMOBILE LIABILITY						PRODUCTS - COMP/OP AGG \$
	<input type="checkbox"/> ANY AUTO						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per person) \$
	<input type="checkbox"/> HIRED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> NON-OWNED AUTOS						
B	<input checked="" type="checkbox"/> UMBRELLA LIAB						EACH OCCURRENCE \$ 100,000,000
	<input checked="" type="checkbox"/> EXCESS LIAB						AGGREGATE \$ 100,000,000
	<input type="checkbox"/> OCCUR						
	<input type="checkbox"/> CLAIMS-MADE						
	DED RETENTION \$	X	X	02-235-0307-3171	8/15/2012	8/15/2013	
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS \$
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)		N/A				E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$
A	Hired Auto			009 9836120 00	8/15/2012	8/15/2013	E.L. DISEASE - POLICY LIMIT \$
A	Non Owned Auto			009 9836120 00	8/15/2012	8/15/2013	1,000,000
							1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Location: 125 Third Avenue, New York, NY 10003.

Certificate holder is included as additional insured.

Terrorism is included on GL & Umbrella policy.

Certificate subject to coverages, conditions & exclusions on actual policy.

CERTIFICATE HOLDER

Citigroup Global Markets Realty Corp.
 ISAOA, ATIMA
 c/o Wells Fargo N.A.
 PO Box 563956
 Charlotte, NC 28256

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

ACORD 25 (2010/05)

INS025 (201005).01

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NOTICE

Policy Period: 08/15/2012 To: 08/15/2013

Effective Date: 08/15/2012

Policy Number: 009 9836120 00

Insured Name: CORAL REALTY, LLC., ETAL

Issue Date: 08/14/2012

NOTICE: THESE POLICY FORMS AND THE APPLICABLE RATES ARE EXEMPT FROM THE FILING REQUIREMENTS OF THE NEW YORK STATE INSURANCE LAW AND REGULATIONS. HOWEVER, THE FORMS AND RATES MUST MEET THE MINIMUM STANDARDS OF THE NEW YORK INSURANCE LAW AND REGULATIONS.

*CLASS: 1 RISK
STATISTICAL CODE: 60010*

IMPORTANT NOTICE TO POLICYHOLDERS TERRORISM RISK INSURANCE ACT

This Important Notice is being provided with your policy to further satisfy the disclosure requirements of the Terrorism Risk Insurance Act.

At the time you received the written offer for this policy, we provided you with an Important Notice to Policyholders indicating that the insurance provided in your policy for losses caused by certain acts of terrorism (as defined in the Terrorism Risk Insurance Act) would be partially reimbursed by the United States of America, pursuant to the formula set forth in the Terrorism Risk Insurance Act. In addition, as required by the Terrorism Risk Insurance Act, we:

- indicated that we would make available insurance for such losses in the same manner as we provide insurance for other types of losses;
- specified the premium we would charge, if any, for providing such insurance; and
- except to the extent prohibited by law, gave you the opportunity to reject such insurance and have a terrorism exclusion, sublimit or other limitation included in your policy.

This Important Notice refers back to that Important Notice and provides information about your decision and the manner in which your policy has been subsequently modified.

If:

- You rejected terrorism insurance under the Terrorism Risk Insurance Act, your policy includes the appropriate amendatory endorsement(s).
- You did not reject terrorism insurance under the Terrorism Risk Insurance Act, the premium charged for your policy, including that portion applicable to terrorism insurance under the Terrorism Risk Insurance Act, is shown in your policy. To the extent your policy includes a limitation on terrorism insurance, it has been modified so that such limitation does not apply to terrorism insurance under the Terrorism Risk Insurance Act.

Please carefully review your policy and the Important Notice previously provided to you for further details. Please remember that only the terms of your policy establish the scope of your insurance protection.

Please note that if your policy:

- *provides commercial property insurance in a jurisdiction that has a statutory standard fire policy, the premium we charge for terrorism insurance under the Terrorism Risk Insurance Act, includes an amount attributable to the insurance provided pursuant to that standard fire policy. Rejection of such statutory insurance is legally prohibited.*
- *is a workers compensation policy, rejection of insurance for terrorism is legally prohibited.*

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

IMPORTANT NOTICE TO POLICYHOLDERS

This Important Notice is not your policy. Please read your policy carefully to determine your rights, duties, and what is and what is not covered. Only the provisions of your policy determine the scope of your insurance protection.

THIS IMPORTANT NOTICE PROVIDES INFORMATION CONCERNING POSSIBLE IMPACT ON YOUR INSURANCE COVERAGE DUE TO COMPLIANCE WITH APPLICABLE TRADE SANCTION LAWS.

PLEASE READ THIS NOTICE CAREFULLY.

Various trade or economic sanctions and other laws or regulations prohibit us from providing insurance in certain circumstances. For example, the United States Treasury Department's Office of Foreign Asset Control (OFAC) administers and enforces economic and trade sanctions and places restrictions on transactions with foreign agents, front organizations, terrorists, terrorists organizations, and narcotic traffickers. OFAC acts pursuant to Executive Orders of the President of the United States and specific legislation, to impose controls on transactions and freeze foreign assets under United States jurisdiction. (To learn more about OFAC, please refer to the United States Treasury's web site at <http://www.treas.gov/ofac>.)

To the extent that you or any other insured, or any person or entity claiming the benefits of this insurance has violated any applicable sanction laws, this insurance will not apply.

We have added a condition or section that applies to the entire policy called Compliance With Applicable Trade Sanctions, which stipulates that your insurance policy does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

last page

POLICYHOLDER NOTICE

All of the members of the Chubb Group of Insurance companies doing business in the United States (hereinafter "Chubb") distribute their products through licensed insurance brokers and agents ("producers"). Detailed information regarding the types of compensation paid by Chubb to producers on US insurance transactions is available under the Producer Compensation link located at the bottom of the page at www.chubb.com, or by calling 1-866-588-9478. Additional information may be available from your producer.

Thank you for choosing Chubb.



FEDERAL INSURANCE COMPANY
 A stock Insurance company Incorporated under the laws of Indiana
 15 MOUNTAIN VIEW ROAD
 WARREN, NEW JERSEY 07059

COMMON POLICY DECLARATIONS

Policy Number 009 9836120 00

Policy Period From 08/15/2012 To 08/15/2013
12:01 A.M. at the Named Insured's Mailing Address

Transaction NEW BUSINESS

Pay Plan: Pre-Paid AGENCY BILL

Named Insured and Mailing Address
 CORALREALTY, LLC, ETAL
 400 BROOME STREET
 NEW YORK NY 10013

Producer
 METRO INSURANCE SERVICES
 100 MORRIS AVE
 SPRINGFIELD NJ 07081-1427 5439400

Business Description
 REAL ESTATE OWNER

Your acceptance of this policy terminates, effective with the inception of this policy, any prior policy of the same number issued to you by us.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE STATED IN THIS POLICY. THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

COVERAGE PART DESCRIPTION

Commercial Fire

General Liability

PREMIUM

\$ 298,057.00

\$ 205,049.00

POLICY PREMIUM	\$	503,106.00
TAXES, FEES, AND SURCHARGES	\$	2,120.00
TOTAL PREMIUM	\$	505,226.00

Forms applicable to all Coverage Parts: See Forms and Endorsements schedule

These Declarations together with the issued common policy conditions, coverage declarations, coverage form(s), and form(s) and endorsements, if any, complete the above numbered policy.

In Witness Whereof the Company issuing this policy has caused this policy to be signed by its authorized officers, but this policy shall not be valid unless also signed by a duly authorized representative of the company.

Countersigned:

08/14/2012

(Date)

Carl I. Krump

President

[Signature]

(Authorized Representative)

W. Andrew Macan

Secretary

Issued Date 08/14/2012
 10-02-2011 (Ed. 12-09)

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INSURED COPY

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FEDERAL INSURANCE COMPANY
a stock insurance company incorporated under the laws of Indiana
15 MOUNTAIN VIEW ROAD
WARREN, NEW JERSEY 07059

Policy Number: 009 9836120 00
NEW BUSINESS
Named Insured:
CORAL REALTY, LLC., ETAL

LOCATION ADDRESS SCHEDULE

Prem # 1

[REDACTED]

Prem # 2

[REDACTED]

Prem # 3

[REDACTED]

Prem # 4

[REDACTED]

Prem # 5

[REDACTED]

Prem # 6

[REDACTED]

Prem # 7

[REDACTED]

Prem # 8

201 EAST 14TH STREET
NEW YORK, NY 10003

Prem # 9

[REDACTED]

Prem # 10

[REDACTED]



FEDERAL INSURANCE COMPANY
a stock insurance company incorporated under the laws of Indiana
15 MOUNTAIN VIEW ROAD
WARREN, NEW JERSEY 07059

Policy Number: 009 9836120 00
NEW BUSINESS
Named Insured:
CORAL REALTY, LLC., ETAL

SUB-LOCATION ADDRESS SCHEDULE

Prem # 1 Bldg # 1

[REDACTED]

Prem # 8 Bldg # 1

APARTMENT BUILDING W/ MERC.
201 EAST 14TH STREET
NEW YORK, NY 10003

Prem # 2 Bldg # 1

[REDACTED]

Prem # 9 Bldg # 1

[REDACTED]

Prem # 3 Bldg # 1

[REDACTED]

Prem # 10 Bldg # 1

[REDACTED]

Prem # 4 Bldg # 1

[REDACTED]

Prem # 5 Bldg # 1

[REDACTED]

Prem # 6 Bldg # 1

[REDACTED]

Prem # 7 Bldg # 1

[REDACTED]



FEDERAL INSURANCE COMPANY
a stock insurance company incorporated under the laws of Indiana
15 MOUNTAIN VIEW ROAD
WARREN, NEW JERSEY 07059

Policy Number: 009 9836120 00
NEW BUSINESS
Named Insured:
CORAL REALTY, LLC., ETAL

POLICY INTEREST SCHEDULE

POLICY LEVEL INTERESTS

NAMED INSURED

[REDACTED]

NAMED INSURED

[REDACTED]

NAMED INSURED

[REDACTED]

NAMED INSURED

[REDACTED]

NAMED INSURED

[REDACTED]

NAMED INSURED

[REDACTED]

NAMED INSURED

[REDACTED]

NAMED INSURED
CORAL CRYSTAL, LLC.
201 EAST 14TH STREET
NEW YORK NY 10003

NAMED INSURED

[REDACTED]

NAMED INSURED

[REDACTED]

COMMERCIAL FIRE INTERESTS

Prem # 1

Bldg # 1

[REDACTED]

Prem # 2

Bldg # 1

[REDACTED]



FEDERAL INSURANCE COMPANY
a stock insurance company Incorporated under the laws of Indiana
15 MOUNTAIN VIEW ROAD
WARREN, NEW JERSEY 07059

Policy Number: 009 9836120 00
NEW BUSINESS
Named Insured:
CORAL REALTY, LLC., ETAL

POLICY INTEREST SCHEDULE

Prem # 2 Bldg # 1

[REDACTED]

Prem # 3 Bldg # 1

[REDACTED]

Prem # 4 Bldg # 1

[REDACTED]

Prem # 7 Bldg # 1

[REDACTED]

Prem # 8 Bldg # 1

LENDER LOSS PAYABLE-PROPTY-CPP
REFER TO FORM 100219661(08/10)
BANK OF AMERICA, N.A.
900 WEST TRADE ST., STE. 650
CHARLOTTE NC 28255

Prem # 9 Bldg # 1

[REDACTED]

Prem # 1 Bldg # 1

[REDACTED]

Prem # 2 Bldg # 1

[REDACTED]

Prem # 3 Bldg # 1

[REDACTED]

Prem # 4 Bldg # 1

[REDACTED]

Prem # 7 Bldg # 1

[REDACTED]

Prem # 8 Bldg # 1

MORTGAGEE
REFER TO FORM 100219661(08/10)
BANK OF AMERICA, N.A.
900 WEST TRADE ST., STE. 650
CHARLOTTE NC 28255



FEDERAL INSURANCE COMPANY
a stock insurance company incorporated under the laws of Indiana
15 MOUNTAIN VIEW ROAD
WARREN, NEW JERSEY 07059

Policy Number: 009 9836120 00
NEW BUSINESS
Named Insured:
CORAL REALTY, LLC., ETAL

POLICY INTEREST SCHEDULE

Prem # 9

Bldg # 1

[REDACTED]

Prem # 2

Bldg # 1

[REDACTED]

GENERAL LIABILITY INTERESTS

Prem # 1

[REDACTED]

Prem # 2

[REDACTED]

Prem # 2

[REDACTED]

Prem # 3

[REDACTED]

Prem # 4

[REDACTED]

Prem # 7

[REDACTED]

Prem # 8

AI-MTG, ASSIGNEE/RCVR (CG2018)
REFER TO FORM 100219661(08/10)
BANK OF AMERICA, N.A.
900 WEST TRADE ST., STE. 650
CHARLOTTE NC 28255

Prem # 9

[REDACTED]

Prem # 10

[REDACTED]

Prem # 1

[REDACTED]



FEDERAL INSURANCE COMPANY
a stock insurance company Incorporated under the laws of Indiana
15 MOUNTAIN VIEW ROAD
WARREN, NEW JERSEY 07059

Policy Number: 009 9836120 00
NEW BUSINESS
Named Insured:
CORAL REALTY, LLC., ETAL

POLICY INTEREST SCHEDULE

Prem # 2

[REDACTED]

Prem # 4

[REDACTED]

Prem # 7

[REDACTED]

Prem # 8

AI-DES PERS OR ORG (CG2026)
NEW YORK UNIVERSITY
INSURANCE DEPARTMENT
7 EAST 12TH STREET, 8TH FLOOR
NEW YORK NY 10003

Prem # 8

AI-DES PERS OR ORG (CG2026)
MTA RISK & INSURANCE MGMT.
2 BROADWAY, 21ST FLOOR
NEW YORK NY 10004



FEDERAL INSURANCE COMPANY
a stock insurance company incorporated under the laws of Indiana
15 MOUNTAIN VIEW ROAD
WARREN, NEW JERSEY 07059

Policy Number: 009 9836120 00
NEW BUSINESS
Named Insured:
CORAL REALTY, LLC., ETAL

FORMS AND ENDORSEMENTS SCHEDULE

	Form Nbr.	Ed. Date	Description
All Lines	* 10021562	(03/10)	Compliance-Appl Trade Sanction
	* IL0017	(11/98)	Common Policy Conditions
	* IL0268	(01/11)	New York Changes-Canc/NonRenew
Commercial Fire	* 10021573	(01/10)	Machinery & Equipment Breakdwn
	* 10021724	(11/06)	Prot Safeguards-Heat Maintained
	* 10021896	(12/09)	Green Standards
	* 10021897	(12/09)	Ordinance or Law Combined Cov
	* 10021902	(12/09)	Crime - Additional Coverages
	* 10021903	(12/09)	Residential Building Enhancmnt
	* 10021904	(12/09)	Residential Bldg Enhance-Sched
	* 100219661	(08/10)	Manuscript1
	* CP0010	(06/07)	Bldg and Pers Prop Cov Form
	* CP0030	(06/07)	Business Income Cov Form (&EE)
	* CP0090	(07/88)	Commercial Property Conditions
	* CP0133	(01/11)	New York Changes
	* CP0164	(03/09)	NY Chgs-Fungus,Wet Rot,Dry Rot
	* CP0178	(08/08)	NY-Excl of Loss due to Virus
	* CP1030	(06/07)	Cause of Loss - Special Form
	* CP1032	(08/08)	Water Exclusion Endorsement
	* CP1045	(08/99)	EQ/Volcanic Eruption Sub-Limit
	* CP1065	(06/07)	Flood Endorsement
	* CP1218	(06/07)	Loss Payable Provisions
	* CPDS06	(10/00)	EQ Volcanic Eruption Cov Sched
	* CPDS65	(10/00)	Flood Coverage Schedule
	* IL0183	(08/08)	New York Changes - Fraud
	* IL0415	(04/98)	Protective Safeguards
	* IL0935	(07/02)	Exc of Certain Cmpter Rel Loss
	* IL0952	(03/08)	Cap on Losses from CAT
General Liability	* 10021800	(06/09)	Comm'l Gen Liab Coverage Form
	* 10021802	(05/07)	Employee Benefits Liab
	* 10021804	(05/07)	Proj Gen Agg Lmt w Cmb Ttl Agg
	* 10021934	(03/10)	New York Changes-Premium Audit
	* 10021935	(09/10)	NY Chges-Comm Gen Liab Cov FM
	* 10021938	(03/10)	NY Chges-Certain Exclusion Del
	* 100219661	(08/10)	Manuscript1
	* 10022062	(12/09)	Hired & Non-Own Auto Liab
	* CG2018	(11/85)	Addl Insd-Mortg.,Assign./Recvr
	* CG2026	(07/04)	Addl Ins-Desig Person or Organ
	* CG2116	(07/98)	Excl-Designated Profes.Service
	* CG2144	(07/98)	Limit.of Covg to Desgnt.Prem
	* CG2149	(09/99)	Total Pollution Excl. Endorse.
	* CG2153	(01/96)	Excl-Desig Ongoing Operations
	* CG2170	(01/08)	Cap on Loss Frm Cert Acts Terr
	* CG2621	(10/91)	New York Chgs - Tran of Duties
	* IL0023	(07/02)	Nuclear Energy Liab Excl Endr

* Indicates that this endorsement is printed with this Policy Declaration.



FEDERAL INSURANCE COMPANY
a stock insurance company Incorporated under the laws of Indiana
15 MOUNTAIN VIEW ROAD
WARREN, NEW JERSEY 07059

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

Policy Number 009 9836120 00

Policy Period From 08/15/2012 To 08/15/2013

12:01 A.M. at the Named Insured's Mailing Address

Transaction NEW BUSINESS

Pay Plan: Pre-Paid AGENCY BILL

Named Insured and Mailing Address
CORAL REALTY, LLC, ETAL
400 BROOME STREET
NEW YORK NY 10013

Producer
METRO INSURANCE SERVICES 5439400
100 MORRIS AVE
SPRINGFIELD NJ 07081-1427

Business Description

REAL ESTATE OWNER

Your acceptance of this policy terminates, effective with the inception of this policy, any prior policy of the same number issued to you by us.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

DESCRIPTION OF PREMISES

Refer to attached Schedule Of Premises.

COVERAGES PROVIDED

Refer to attached Schedule Of Coverages Provided.

OPTIONAL COVERAGES

Refer to attached Schedule Of Optional Coverages Provided.

MORTGAGEES AND ADDITIONAL INTERESTS

Refer to attached Policy Interest Schedule.

FORMS AND ENDORSEMENTS

Refer to Forms and Endorsements Schedule.

These Declarations together with the issued common policy conditions, coverage part declarations, coverage part coverage form(s) and form(s) and endorsements, if any, complete the above numbered policy.

TOTAL PREMIUM FOR THIS COVERAGE PART \$298,057.00

Portion of this Premium for Terrorism \$59,196.00



FEDERAL INSURANCE COMPANY
 a stock insurance company incorporated under the laws of Indiana
 15 MOUNTAIN VIEW ROAD
 WARREN, NEW JERSEY 07059

Policy Number: 009 9836120 00
 NEW BUSINESS
 Named Insured:
 CORAL REALTY, LLC., ETAL

COMMERCIAL PROPERTY SCHEDULE OF PREMISES

Prem. No.	Bldg. No.	Occupancy	Construction	Prot. Class	Terr
00001	00001	Apartments with mercantile occupancies - over 30 units	Mod. Fire Resistive	04	310
00002	00001	Apartments without mercantile occupancies - over 30 units	Fire Resistive	04	310
00003	00001	Apartments with mercantile occupancies - 11 to 30 units	Fire Resistive	04	240
00004	00001	Apartments with mercantile occupancies - over 30 units	Fire Resistive	04	310
00007	00001	Apartments without mercantile occupancies - over 30 units	Fire Resistive	04	310
00008	00001	Apartments with mercantile occupancies - over 30 units	Fire Resistive	04	310
00009	00001	Apartments with mercantile occupancies - over 30 units	Mod. Fire Resistive	04	310



FEDERAL INSURANCE COMPANY
 a stock insurance company incorporated under the laws of Indiana
 15 MOUNTAIN VIEW ROAD
 WARREN, NEW JERSEY 07059

Policy Number: 009 9836120 00
 NEW BUSINESS
 Named Insured:
 CORAL REALTY, LLC., ETAL

COMMERCIAL PROPERTY SCHEDULE OF COVERAGES PROVIDED

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Blanket Coverage	Covered Causes of Loss	Coinsurance [†]	Deductible
00001	00001	Building	[REDACTED]		SPECIAL	100	10000
00001	00001	Business Income With Extra Expense	[REDACTED]		SPECIAL	100	
00002	00001	Building	[REDACTED]		SPECIAL	100	10000
00002	00001	Business Income With Extra Expense	[REDACTED]		SPECIAL	100	
00003	00001	Building	[REDACTED]		SPECIAL	100	10000
00003	00001	Business Income With Extra Expense	[REDACTED]		SPECIAL	100	
00004	00001	Building	[REDACTED]		SPECIAL	100	10000
00004	00001	Business Income With Extra Expense	[REDACTED]		SPECIAL	100	
00007	00001	Building	[REDACTED]		SPECIAL	100	10000
00007	00001	Business Income With Extra Expense	[REDACTED]		SPECIAL	100	
00008	00001	Building	47,000,000		SPECIAL	100	10000
00008	00001	Business Income With Extra Expense	5,800,000		SPECIAL	100	
00009	00001	Building	[REDACTED]		SPECIAL	100	10000
00009	00001	Business Income With Extra Expense	[REDACTED]		SPECIAL	100	

[†] IF EXTRA EXPENSE COVERAGE, LIMITS ON LOSS PAYMENT



FEDERAL INSURANCE COMPANY
 a stock insurance company incorporated under the laws of Indiana
 15 MOUNTAIN VIEW ROAD
 WARREN, NEW JERSEY 07059

Policy Number: 009 9836120 00
 NEW BUSINESS
 Named Insured:
 CORAL REALTY, LLC., ETAL

COMMERCIAL PROPERTY SCHEDULE OF OPTIONAL COVERAGES PROVIDED

Prem. No.	Bldg. No.	Coverage	Agreed Value		Valuation† Bldg Pers Incl Prop "Stock"	Inflation Grd Bldg Pers Prop	Monthly Limit of Indemnity	Maximum Period of Indemnity	Extended Period of Indemnity (Days)
			Amount (\$)	Expiration Date					
00001	00001	BLDG	[REDACTED]	08/15/13	RC				
00001	00001	BUSINC					N/A		180 Days
00002	00001	BLDG	[REDACTED]	08/15/13	RC				
00002	00001	BUSINC					N/A		180 Days
00003	00001	BLDG	[REDACTED]	08/15/13	RC				
00003	00001	BUSINC					N/A		180 Days
00004	00001	BLDG	[REDACTED]	08/15/13	RC				
00004	00001	BUSINC					N/A		180 Days
00007	00001	BLDG	[REDACTED]	08/15/13	RC				
00007	00001	BUSINC					N/A		180 Days
00008	00001	BLDG	47,000,000	08/15/13	RC				
00008	00001	BUSINC					N/A		180 Days
00009	00001	BLDG	[REDACTED]	08/15/13	RC				
00009	00001	BUSINC					N/A		180 Days

† RC = Replacement Cost
 FRC = Functional Replacement Cost
 ACV = Actual Cash Value
 ERC = Extended Replacement Cost

Issued Date: 08/14/2012
 10-02-1892 (Ed. 12-09)

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 Page 4 of 4



FEDERAL INSURANCE COMPANY
a stock insurance company incorporated under the laws of Indiana
15 MOUNTAIN VIEW ROAD
WARREN, NEW JERSEY 07059

GENERAL LIABILITY COVERAGE PART DECLARATIONS

Policy Number 009 9836120 00

Policy Period From 08/15/2012 To 08/15/2013

12:01 A.M. at the Named Insured's Mailing Address

Transaction NEW BUSINESS

Pay Plan: Pre-Paid AGENCY BILL

Named Insured and Mailing Address

CORAL REALTY, LLC., ETAL
400 BROOME STREET
NEW YORK NY 10013

Producer

METRO INSURANCE SERVICES 5439400
100 MORRIS AVE
SPRINGFIELD NJ 07081-1427

Business Description

REAL ESTATE OWNER

Type of Business

LTD LIAB CO

Audit Period

NONE

Your acceptance of this policy terminates, effective with the inception of this policy, any prior policy of the same number issued to you by us.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

LIMITS OF INSURANCE

Each Occurrence Limit	\$1,000,000	
Damage To Premises Rented To You Limit	\$100,000	Any one premises
Medical Expense Limit	\$5,000	Any one person
Personal and Advertising Injury Aggregate Limit	\$1,000,000	
General Aggregate Limit	\$2,000,000	
Products/Completed Operations Aggregate Limit	\$1,000,000	
Hired Auto Liability Insurance	\$1,000,000	
Non-owned Auto Liability Insurance	\$1,000,000	
Employee Benefits Liability	\$1,000,000	

LOCATIONS OF ALL PREMISES YOU OWN, RENT OR OCCUPY

Refer to the Location Address Schedule.

CLASSIFICATIONS

Refer to the Extension of Declarations.

FORMS AND ENDORSEMENTS

Refer to Forms and Endorsements Schedule.

These Declarations together with the issued common policy conditions, coverage part declarations, coverage part coverage form(s) and form(s) and endorsements, if any, complete the above numbered policy.

TOTAL PREMIUM FOR THIS COVERAGE PART

\$205,049.00

Portion of this Premium for Terrorism

\$1,951.00



FEDERAL INSURANCE COMPANY
 a stock insurance company incorporated under the laws of Indiana
 15 MOUNTAIN VIEW ROAD
 WARREN, NEW JERSEY 07059

Policy Number: 009 9836120 00
 NEW BUSINESS
 Named Insured:
 CORAL REALTY, LLC., ETAL

COMMERCIAL GENERAL LIABILITY EXTENSION OF DECLARATIONS

CLASSIFICATION & PREMIUM

Location	Classification	Code No.	Exposure	Basis	Prem.Ops.	Rate Prod/Comp Ops.	Advance Prem.Ops.	Premium Prod/Comp Ops.
00001	APARTMENT BUILDINGS {NOC}	60010	108	Unit	205.33500			
"Products - completed operations are subject to the General Aggregate Limit"								
00001	BUILDINGS OR PREMISES-BANK OR OFFICE-MERCANTILE OR MANUFACTU	61217	12,500	Thousand	187.10200			
"Products - completed operations are subject to the General Aggregate Limit"								
00002	APARTMENT BUILDINGS {NOC}	60010	79	Unit	205.33500			
"Products - completed operations are subject to the General Aggregate Limit"								
00003	APARTMENT BUILDINGS {NOC}	60010	11	Unit	205.33500			
"Products - completed operations are subject to the General Aggregate Limit"								
00003	BUILDINGS OR PREMISES-BANK OR OFFICE-MERCANTILE OR MANUFACTU	61217	1,715	Thousand	187.10200			
"Products - completed operations are subject to the General Aggregate Limit"								
00004	APARTMENT BUILDINGS {NOC}	60010	279	Unit	205.33500			
"Products - completed operations are subject to the General Aggregate Limit"								
00004	BUILDINGS OR PREMISES-BANK OR OFFICE-MERCANTILE OR MANUFACTU	61217	4,000	Thousand	187.10200			
"Products - completed operations are subject to the General Aggregate Limit"								
00005	BUILDINGS OR PREMISES-BANK OR OFFICE-MERCANTILE OR MANUFACTU	61217	10,000	Thousand	187.10200			
"Products - completed operations are subject to the General Aggregate Limit"								
00006	BUILDINGS OR PREMISES-BANK OR OFFICE-MERCANTILE OR MANUFACTU	61217	10,000	Thousand	187.10200			
"Products - completed operations are subject to the General Aggregate Limit"								
00007	APARTMENT BUILDINGS {NOC}	60010	171	Unit	205.33500			
"Products - completed operations are subject to the General Aggregate Limit"								



FEDERAL INSURANCE COMPANY
 a stock insurance company incorporated under the laws of Indiana
 15 MOUNTAIN VIEW ROAD
 WARREN, NEW JERSEY 07059

Policy Number: 009 9836120 00
 NEW BUSINESS
 Named Insured:
 CORAL REALTY, LLC., ETAL

COMMERCIAL GENERAL LIABILITY EXTENSION OF DECLARATIONS

CLASSIFICATION & PREMIUM

Location	Classification	Code No.	Exposure	Basis	Prem.Ops.	Rate Prod/Comp Ops.	Advance Premium Prem.Ops.	Premium Prod/Comp Ops.
00008		60010	92	Unit	205.33500		\$18,891.00	
	APARTMENT BUILDINGS {NOC}							
	"Products - completed operations are subject to the General Aggregate Limit"							
00008		61217	7,650	Thousand	187.10200		\$1,431.00	
	BUILDINGS OR PREMISES-BANK OR OFFICE-MERCANTILE OR MANUFACTU							
	"Products - completed operations are subject to the General Aggregate Limit"							
00009		60010	163	Unit	205.33500			
	APARTMENT BUILDINGS {NOC}							
	"Products - completed operations are subject to the General Aggregate Limit"							
00009		61217	20,149	Thousand	187.10200			
	BUILDINGS OR PREMISES-BANK OR OFFICE-MERCANTILE OR MANUFACTU							
	"Products - completed operations are subject to the General Aggregate Limit"							
00010		61217	16,640	Thousand	187.10200			
	BUILDINGS OR PREMISES-BANK OR OFFICE-MERCANTILE OR MANUFACTU							
	"Products - completed operations are subject to the General Aggregate Limit"							



FEDERAL INSURANCE COMPANY
 a stock insurance company incorporated under the laws of Indiana
 15 MOUNTAIN VIEW ROAD
 WARREN, NEW JERSEY 07059

Policy Number: 009 9836120 00
 NEW BUSINESS
 Named Insured:
 CORAL REALTY, LLC., ETAL

COMMERCIAL GENERAL LIABILITY EXTENSION OF DECLARATIONS

CLASSIFICATION & PREMIUM

Location	Classification	Code No.	Exposure	Premium
ALL		92100	EMPLOYEE BENEFITS LIABILITY COVERAGE	\$86.00
ALL		00058	HIRED AND NON-OWNED AUTO LIABILITY	\$37.00
00001		49950	ADDITIONAL INTERESTS CLASS CODE	
00002		49950	ADDITIONAL INTERESTS CLASS CODE	
00004		49950	ADDITIONAL INTERESTS CLASS CODE	
00007		49950	ADDITIONAL INTERESTS CLASS CODE	
00008		49950	ADDITIONAL INTERESTS CLASS CODE	\$488.00

POLICY NUMBER: 009 9836120 00

FORM 10-02-1562 (Ed. 03-10)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**COMPLIANCE WITH APPLICABLE TRADE SANCTIONS
ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMON POLICY CONDITIONS

The following is added:

Compliance With Applicable Trade Sanctions

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

IL 00 17 11 98

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

IL 00 23 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART
 SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF
 TRANSPORTATION

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from

"hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been

used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special

nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

POLICY NUMBER: 009 9836120 00

COMMERCIAL PROPERTY
FORM 10-02-1573 (Rev. 1-10)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MACHINERY AND EQUIPMENT BREAKDOWN

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS – SPECIAL FORM**SCHEDULE***

Premises No.	Building No.
00001	00001
00002	00001
00003	00001
00004	00001
00007	00001

*Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.

For buildings shown in the schedule above, the CAUSES OF LOSS – SPECIAL FORM is revised as follows:

1. **Exclusion B.2.a.** is deleted.
2. **Exclusion B.2.d.(6)** is deleted and replaced by the following:
 - (6) Mechanical breakdown. But this exclusion does not apply to:
 - (a) Abrupt and accidental breakdown of "mechanical or electrical system or apparatus" which causes direct physical loss or damage to all or part of that "mechanical or electrical system or apparatus" provided the direct physical loss or damage becomes manifest at the time of the breakdown that caused it.
Abrupt and accidental breakdown of "mechanical or electrical system or apparatus" does not mean:
 - (i) Rust, oxidation or corrosion;
 - (ii) Faulty, inadequate or defective design, plan, specification or installation; or
 - (iii) Failure of "mechanical or electrical system or apparatus" to perform in accordance with plans or specifications; or
 - (b) Ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

3. **Exclusion B.2.e.** is deleted.

4. The following is added to paragraph **G., Definitions:**

3. "Mechanical or electrical system or apparatus":

- a. Means any:

- (1) Boiler, fired pressure vessel, unfired vessel normally subject to vacuum or internal pressure other than weight of its content, refrigerating and air conditioning vessels including metal piping and its accessory equipment connected thereto; and
- (2) Mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

- b. Does not mean any:

- (1) Part of a boiler or fired vessel or electric steam generator that does not contain steam or water;
- (2) Insulating or refractory material;
- (3) Non-metallic vessels, equipment, machines and apparatus, including their glass linings and non-metallic parts, unless constructed in accordance with A.S.M.E. code;
- (4) Glass linings of vessels, equipment, machines and apparatus;
- (5) Catalyst;

- (6) Piping, vessels or electrical cables, not enclosed in conduit, buried directly in the ground;
- (7) Sewer piping;
- (8) Sprinkler system piping or water piping other than:
 - (a) Feedwater piping between any steam boiler and its feed pumps or injectors;
 - (b) Steam boiler condensate return piping; and
 - (c) Water piping interconnecting vessels forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating;
- (9) Part of unfired pressure vessel that is not under:
 - (a) Pressure of the contents of the vessel; or
 - (b) Internal vacuum;
- (10) Structure, foundation, cabinet or compartment containing any vessel, equipment, machine or apparatus;
- (11) Felt, wire, screen, die, extrusion plate, swing hammer, grinding disk, cutting blade, cable, chain, belt, rope, clutch plate, brake pad, non-metallic part or any part or tool subject to frequent periodic replacement; or
- (12) Vessel, equipment, machine or apparatus manufactured by you for sale;
- (13) Power shovel, dragline, excavation vehicle (whether or not licensed for road use), aircraft, floating vessel or structure, penstock, draft tube or well casings; or
- (14) Electronic data processing equipment, except for component computer devices that are used solely to control a mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

When a vessel uses a heat transfer medium other than water or steam, we will consider the medium used and its vapor as substitutes for the words "water" or "steam".

POLICY NUMBER: 009 9836120 00

COMMERCIAL PROPERTY
FORM 10-02-1573 (Rev. 1-10)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MACHINERY AND EQUIPMENT BREAKDOWN

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS – SPECIAL FORM**SCHEDULE*****Premises No.**

00008

00009

Building No.

00001

00001

*Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.

For buildings shown in the schedule above, the CAUSES OF LOSS – SPECIAL FORM is revised as follows:

1. **Exclusion B.2.a.** is deleted.
2. **Exclusion B.2.d.(6)** is deleted and replaced by the following:
 - (6) Mechanical breakdown. But this exclusion does not apply to:
 - (a) Abrupt and accidental breakdown of "mechanical or electrical system or apparatus" which causes direct physical loss or damage to all or part of that "mechanical or electrical system or apparatus" provided the direct physical loss or damage becomes manifest at the time of the breakdown that caused it.
Abrupt and accidental breakdown of "mechanical or electrical system or apparatus" does not mean:
 - (i) Rust, oxidation or corrosion;
 - (ii) Faulty, inadequate or defective design, plan, specification or installation; or
 - (iii) Failure of "mechanical or electrical system or apparatus" to perform in accordance with plans or specifications; or
 - (b) Ensuing loss or damage caused by or resulting from a peril not otherwise excluded.

3. **Exclusion B.2.e.** is deleted.

4. The following is added to paragraph **G., Definitions:**

3. "Mechanical or electrical system or apparatus":

a. Means any:

- (1) Boiler, fired pressure vessel, unfired vessel normally subject to vacuum or internal pressure other than weight of its content, refrigerating and air conditioning vessels including metal piping and its accessory equipment connected thereto; and
- (2) Mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

b. Does not mean any:

- (1) Part of a boiler or fired vessel or electric steam generator that does not contain steam or water;
- (2) Insulating or refractory material;
- (3) Non-metallic vessels, equipment, machines and apparatus, including their glass linings and non-metallic parts, unless constructed in accordance with A.S.M.E. code;
- (4) Glass linings of vessels, equipment, machines and apparatus;
- (5) Catalyst;

- (6) Piping, vessels or electrical cables, not enclosed in conduit, buried directly in the ground;
- (7) Sewer piping;
- (8) Sprinkler system piping or water piping other than:
 - (a) Feedwater piping between any steam boiler and its feed pumps or injectors;
 - (b) Steam boiler condensate return piping; and
 - (c) Water piping interconnecting vessels forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating;
- (9) Part of unfired pressure vessel that is not under:
 - (a) Pressure of the contents of the vessel; or
 - (b) Internal vacuum;
- (10) Structure, foundation, cabinet or compartment containing any vessel, equipment, machine or apparatus;
- (11) Felt, wire, screen, die, extrusion plate, swing hammer, grinding disk, cutting blade, cable, chain, belt, rope, clutch plate, brake pad, non-metallic part or any part or tool subject to frequent periodic replacement; or
- (12) Vessel, equipment, machine or apparatus manufactured by you for sale;
- (13) Power shovel, dragline, excavation vehicle (whether or not licensed for road use), aircraft, floating vessel or structure, penstock, draft tube or well casings; or
- (14) Electronic data processing equipment, except for component computer devices that are used solely to control a mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

When a vessel uses a heat transfer medium other than water or steam, we will consider the medium used and its vapor as substitutes for the words "water" or "steam".

POLICY NUMBER: 009 9836120 00

COMMERCIAL PROPERTY
FORM 10-02-1724 (Ed. 11-06)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS – HEAT MAINTAINED

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

SCHEDULE

Premises No.	Building No.
00001	00001
00002	00001
00003	00001
00004	00001
00007	00001

1. The following is added to the COMMERCIAL PROPERTY CONDITIONS:

As a condition of this insurance, you are required to maintain an ambient temperature of not less than 50° Fahrenheit at all times throughout any building identified in the Schedule by use of a gas-fired, oil-fired, coal-fired, electric or similar heating system.

2. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM

CAUSES OF LOSS – BROAD FORM

CAUSES OF LOSS – SPECIAL FORM

We will not pay for loss or damage at any building identified in the Schedule caused by or resulting from any of the following causes of loss, if covered under this policy, unless the ambient temperature throughout the premises at the time of loss or damage is not less than 50° Fahrenheit:

- a. Sprinkler leakage;
- b. Weight of snow, ice or sleet; or
- c. Water damage.

POLICY NUMBER: 009 9836120 00

COMMERCIAL PROPERTY
FORM 10-02-1724 (Ed. 11-06)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS – HEAT MAINTAINED

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

SCHEDULE

Premises No.	Building No.
00008	00001
00009	00001

1. The following is added to the COMMERCIAL PROPERTY CONDITIONS:

As a condition of this insurance, you are required to maintain an ambient temperature of not less than 50° Fahrenheit at all times throughout any building identified in the Schedule by use of a gas-fired, oil-fired, coal-fired, electric or similar heating system.

2. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM

CAUSES OF LOSS – BROAD FORM

CAUSES OF LOSS – SPECIAL FORM

We will not pay for loss or damage at any building identified in the Schedule caused by or resulting from any of the following causes of loss, if covered under this policy, unless the ambient temperature throughout the premises at the time of loss or damage is not less than 50° Fahrenheit:

- a. Sprinkler leakage;
- b. Weight of snow, ice or sleet; or
- c. Water damage.

POLICY NUMBER: 009 9836120 00

COMMERCIAL PROPERTY
Form 10-02-1896 (Ed. 12-09)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GREEN STANDARDS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
 BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
 EXTRA EXPENSE COVERAGE FORM

A. On the BUILDING AND PERSONAL PROPERTY COVERAGE FORM and CONDOMINIUM ASSOCIATION COVERAGE FORM, the following is added to the **Valuation Loss Condition**:

1. Subject to the applicable Limit Of Insurance, if you repair or replace Covered Property, the valuation will include necessary and incurred expenses to:
 - a. Hire professionals accredited pursuant to "green standards" to participate in the repair or replacement of the Covered Property;
 - b. Register and certify the repaired or replaced Covered Property pursuant to "green standards";
 - c. Dispose of debris, certified pursuant to "green standards", at recycling facilities, if such debris can be recycled; and
 - d. Ventilate the repaired or replaced Covered Property in a manner consistent with "green standards".
2. When direct physical loss or damage is caused by or results from both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, the valuation will not include the "green standards" costs applicable to the damage that is not covered under this policy. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage, unless the "green standards" apply solely to that portion of the Covered Property which suffered the covered direct physical loss or damage.
3. This Green Standards provision does not include any increase in costs, loss or damage attributable to any "green standards" you did not comply with before

the loss, regardless of when such "green standards" became effective.

4. This Green Standards valuation does not apply to:

- a. Loss or damage caused by or resulting from fire which ensues from nuclear reaction or radiation, or radioactive contamination;
- b. The Pollutant Clean-up And Removal Additional Coverage; or
- c. "Stock".

B. On the BUILDING AND PERSONAL PROPERTY COVERAGE FORM and CONDOMINIUM ASSOCIATION COVERAGE FORM, the following is added to **Definitions**:

"Green standards" means:

- a. The LEED® Green Building Rating System™ of the United States Green Building Council;
- b. Requirements of the Green Globes® Assessment And Rating System of the Green Building Initiative;
- c. Energy Star® qualified requirements; or
- d. Other site development, water savings, energy efficiency, materials or equipment selection and other environmental quality standards for the design and construction of property.

C. On the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM, BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM and EXTRA EXPENSE COVERAGE FORM, the following Additional Coverage is added:

Alternative Energy

We will pay for the:

1. Actual loss of Business Income you sustain; and

2. Necessary Extra Expense you incur, if otherwise covered under this policy:

- a. Due to the actual or potential impairment of your "operations"; and
- b. During the "period of restoration",

to purchase substitute water or power from a third party.

The actual or potential impairment of "operations" must be caused by or result from direct physical loss or damage by a Covered Cause Of Loss to "alternative power generating equipment" or an "alternative water system".

This Additional Coverage applies until the "alternative power generating equipment" or "alternative water system" is repaired or replaced and fully operational in accordance with the manufacturer's specifications.

The most we will pay for Alternative Energy loss is the applicable Limit Of Insurance for Business Income or Extra Expense shown in the Declarations.

This Alternative Energy Additional Coverage does not apply at any premises that supplies your premises with utility services.

D. On the BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM, BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM and EXTRA EXPENSE COVERAGE FORM, the following are added to the Definitions:

1. "Alternative power generating equipment" means equipment that has been certified pursuant to "green standards", which is used in:

- a. Solar energy systems;
- b. Wind energy systems;
- c. Geothermal energy systems;
- d. Low impact hydroelectric systems; or
- e. Any other system that generates electricity from renewable resources,

that is the source of credits, reimbursements, rebates or other sums you receive from a third party that utilizes surplus power you generate from such equipment.

2. "Alternative water system" means equipment situated above or below ground which is used to collect and circulate gray water, ground water or rain water to the domestic, non-potable water supply of a building or to water treatment facilities or outside irrigation facilities at the premises shown in the Declarations.

"Alternative water system" does not include underground pipes or sprinkler heads intended solely for landscape irrigation.

POLICY NUMBER: 009 9836120 00

COMMERCIAL PROPERTY
Form 10-02-1897 (Ed. 12-09)**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****ORDINANCE OR LAW COMBINED COVERAGE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM**SCHEDULE*****Premises No.**00001
00002
00003
00004
00007**Building No.**00001
00001
00001
00001
00001

*Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.

A. Limit Of Insurance

For buildings shown in the Schedule above, the Limit of Insurance shown in the Declarations is the most we will pay for loss or damage in any occurrence, including all coverage provided in this endorsement.

B. Application Of CoverageThe Coverage provided by this endorsement applies only if both **B.1.** and **B.2.** are satisfied and is then subject to the qualifications set forth in **B.3.****1. The ordinance or law:**

- a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

- b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

- 2. a. The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or

- b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

- 3. In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of this endorsement. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section H. of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this endorsement.

C. We will not pay under this endorsement for:

1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

D. Coverage

With respect to the building that has sustained covered direct physical damage, we will pay:

1. For the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.
2. The cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.
3. The increased cost to:
 - a. Repair or reconstruct damaged portions of that building; or
 - b. Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (1) We will pay increased construction costs only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2) We will not pay for the increased cost

of construction if the building is not repaired, reconstructed or remodeled.

Coverage for the increased cost of construction includes:

- (a) The cost of excavations, grading, back-filling and filling; and
- (b) Costs to repair or reconstruct the following:
 - (i) Foundations of buildings;
 - (ii) Pilings; and
 - (iii) Underground pipes, flues and drains.

The items listed in (a) and (b) above are deleted from Property Not Covered, but only with respect to the coverage in this endorsement for increased cost of construction.

E. Loss Payment

1. All following loss payment Provisions, E.2. through E.3., are subject to the apportionment procedures set forth in Section B.3. of this endorsement.
2. When there is a loss in value of an undamaged portion of a building to which this endorsement applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured.
 - b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than actual cash value of the building at the time of loss.
3. In addition to the loss in value of undamaged portions of a building, our remaining loss payments under this endorsement are limited as follows:

a. We will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

b. We will not pay for the increased cost of construction:

(1) Until the property is actually repaired or replaced, at the same or another premises; and

(2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

F. The terms of this endorsement apply separately to each building to which this endorsement applies.

G. Under this endorsement we will not pay for loss due to any ordinance or law that:

1. You were required to comply with before the loss, even if the building was undamaged; and
2. You failed to comply with.

H. Coverage under this endorsement is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this endorsement.

I. Example of Proportionate Loss Payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement.)

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value

- Portion of direct physical damage that is covered (caused by wind): \$30,000

- Portion of direct physical damage that is not covered (caused by flood): \$70,000

- Loss under Ordinance Or Law Coverage:

Loss of undamaged portion \$100,000

Demolition costs 20,000

Increased cost of construction 60,000

Total Ordinance Or Law loss: \$180,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 / \$100,000 = .30$$

Step 2:

Apply that proportion to the Total Ordinance Or Law loss.

$$\$180,000 \times .30 = \$54,000$$

In this example, the most we will pay under this endorsement for the Ordinance Or Law portion of loss is \$54,000, subject to the applicable Limit of Insurance and any other applicable provisions.

J. The following definition is added:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

POLICY NUMBER: 009 9836120 00

COMMERCIAL PROPERTY
Form 10-02-1897 (Ed. 12-09)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COMBINED COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM**SCHEDULE*****Premises No.**

00008

00009

Building No.

00001

00001

*Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.

A. Limit Of Insurance

For buildings shown in the Schedule above, the Limit of Insurance shown in the Declarations is the most we will pay for loss or damage in any occurrence, including all coverage provided in this endorsement.

B. Application Of Coverage

The Coverage provided by this endorsement applies only if both **B.1.** and **B.2.** are satisfied and is then subject to the qualifications set forth in **B.3.**

1. The ordinance or law:

- a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

2. a. The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

3. In the situation described in **B.2.b.** above, we will not pay the full amount of loss otherwise payable under the terms of this endorsement. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section H. of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of this endorsement.

C. We will not pay under this endorsement for:

1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

D. Coverage

With respect to the building that has sustained covered direct physical damage, we will pay:

1. For the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.
2. The cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.
3. The increased cost to:
 - a. Repair or reconstruct damaged portions of that building; or
 - b. Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (1) We will pay increased construction costs only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

- (2) We will not pay for the increased cost

of construction if the building is not repaired, reconstructed or remodeled.

Coverage for the increased cost of construction includes:

- (a) The cost of excavations, grading, back-filling and filling; and
- (b) Costs to repair or reconstruct the following:
 - (i) Foundations of buildings;
 - (ii) Pillings; and
 - (iii) Underground pipes, flues and drains.

The items listed in (a) and (b) above are deleted from Property Not Covered, but only with respect to the coverage in this endorsement for increased cost of construction.

E. Loss Payment

1. All following loss payment Provisions, E.2. through E.3., are subject to the apportionment procedures set forth in Section B.3. of this endorsement.
2. When there is a loss in value of an undamaged portion of a building to which this endorsement applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured.
 - b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than actual cash value of the building at the time of loss.
3. In addition to the loss in value of undamaged portions of a building, our remaining loss payments under this endorsement are limited as follows:

a. We will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

b. We will not pay for the increased cost of construction:

(1) Until the property is actually repaired or replaced, at the same or another premises; and

(2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

F. The terms of this endorsement apply separately to each building to which this endorsement applies.

G. Under this endorsement we will not pay for loss due to any ordinance or law that:

1. You were required to comply with before the loss, even if the building was undamaged; and
2. You failed to comply with.

H. Coverage under this endorsement is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this endorsement.

I. Example of Proportionate Loss Payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement.)

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value

- Portion of direct physical damage that is covered (caused by wind): \$30,000

- Portion of direct physical damage that is not covered (caused by flood): \$70,000

- Loss under Ordinance Or Law Coverage:

Loss of undamaged portion \$100,000

Demolition costs 20,000

Increased cost of construction 60,000

Total Ordinance Or Law loss: \$180,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 / \$100,000 = .30$$

Step 2:

Apply that proportion to the Total Ordinance Or Law loss.

$$\$180,000 \times .30 = \$54,000$$

In this example, the most we will pay under this endorsement for the Ordinance Or Law portion of loss is \$54,000, subject to the applicable Limit of Insurance and any other applicable provisions.

J. The following definition is added:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

POLICY NUMBER: 009 9836120 00

COMMERCIAL PROPERTY
Form 10-02-1902 (Ed. 12-09)**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****ADDITIONAL COVERAGES – CRIME**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART – BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART – CONDOMINIUM ASSOCIATION COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART – CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART – CAUSES OF LOSS – SPECIAL FORM

SCHEDULE*

Coverage	Limit Of Insurance
Money And Securities – Inside	\$10,000
Money And Securities – Outside	\$10,000
Money Orders And Counterfeit Money	\$5,000
Forgery Or Alteration	\$2,500
Employee Dishonesty	\$10,000

*Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.

The provisions of the Building And Personal Property Coverage Form, Condominium Association Coverage Form, Condominium Commercial Unit-Owners Coverage Form and Causes Of Loss – Special Form apply except as otherwise provided in this endorsement. All numbers and letters used to designate paragraphs in this endorsement are specific to this endorsement only. They do not reference paragraphs in the Commercial Property Coverage Part.

These Additional Coverages are subject to the Deductible applicable to Your Business Personal Property, unless otherwise stated.

I. Changes To The Building And Personal Property, Condominium Association And Condominium Commercial Unit-Owners Coverage Forms

The following coverages are added to Additional Coverages in the Coverage section:

A. Money And Securities

1. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any

"employee" having use and custody of the property, at the described premises, or in transit between any of these places.

2. We will pay only for loss of "money" and "securities" resulting directly from:
 - a. Theft, meaning any act of stealing;
 - b. Disappearance; or
 - c. Destruction.
3. We will not pay for loss:
 - a. Resulting from accounting or arithmetical errors or omissions;
 - b. Due to the giving or surrendering of property in any exchange or purchase; or
 - c. Of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous reading instrument in the device.
4. The most we will pay under this Additional Coverage for loss in any one "occurrence" is:
 - a. \$10,000, unless a different limit is

shown for Money And Securities — Inside in the Schedule, for "money" and "securities" while:

(1) In or on the described premises; or

(2) Within a bank or savings institution; and

b. \$10,000, unless a different limit is shown for Money And Securities — Outside in the Schedule, for "money" and "securities" while anywhere else described in Paragraph A.1. above.

5. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

6. To the extent that coverage for "money" and "securities" is provided under this Additional Coverage, the **Property Not Covered** provisions in the **Coverage** section of the Building And Personal Property Coverage Form and the Condominium Association Coverage Form do not apply.

B. Money Orders And Counterfeit Money

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

1. Money orders issued by any post office, express company or bank that are not paid upon presentation; or
2. "Counterfeit money" that is acquired during the regular course of business.

The most we will pay for any loss in any one "occurrence" under this Additional Coverage is \$5,000 unless a different limit for Money Orders And Counterfeit Money is shown in the Schedule.

C. Forgery Or Alteration

1. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- a. Made or drawn by or drawn upon you; or
- b. Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

2. If you are sued for refusing to pay any instrument covered in Paragraph 1. above, on the basis that it has been

forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense.

3. We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

4. The most we will pay for any loss in any one "occurrence", including legal expenses, under this Additional Coverage is \$2,500 unless a different limit for Forgery Or Alteration is shown in the Schedule.

D. Employee Dishonesty

1. Your Business Personal Property And Your Money And Securities

We will pay for direct loss of or damage to Your Business Personal Property and your "money" and "securities" resulting from dishonest acts committed by any of your "employees" acting alone or in collusion with other persons (except you or your partners, members or "managers") with the manifest intent to:

- a. Cause you to sustain loss or damage; and also
- b. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (1) Any "employee"; or
 - (2) Any other person or organization.

2. Residential Tenants' Property

We will pay for loss of or damage to "tenants' property" sustained by your "tenant" resulting directly from "theft" committed by an identified "employee", acting alone or in collusion with other persons.

The property covered under this coverage is limited to property:

- a. That your "tenant" owns or leases;
- b. That your "tenant" holds for others; or
- c. For which your "tenant" is legally liable;

while the property is in a Covered Building at the premises described in the Declarations.

However, this insurance is for your

benefit only. It provides no rights or benefits to any other person or organization, including your "tenant". Any claim for loss that is covered under this coverage must be presented by you.

3. The most we will pay under this Additional Coverage for loss or damage in any one "occurrence" is \$10,000 unless a different limit for Employee Dishonesty is shown in the Schedule.
4. We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
5. This Additional Coverage does not apply to loss caused by any "employee" after discovery by:
 - a. You; or
 - b. Any of your partners, officers or directors, or members or "managers" not in collusion with the "employee";

of any dishonest act committed by that "employee" before or after being hired by you.

II. Discovery

With respect to all Additional Coverages in Section I:

- A. We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.
- B. If you discover a loss or damage during the policy period that you (or any predecessor in interest) sustained during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under these Additional Coverages, provided:
 1. These Additional Coverages became effective at the time of cancellation or termination of the prior insurance; and
 2. The loss or damage would have been covered by one or more of these Additional Coverages had they been in effect when the acts or events causing the loss or damage were committed or occurred.

Discovery occurs at the earlier of any of your partners, officers or directors, or

members or "managers" being aware of facts which would cause a reasonable person to believe that a loss of a type covered by these Additional Coverages may subsequently result,

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts that if true would constitute a covered loss under these Additional Coverages.

- C. The insurance under Paragraph II.B. above is provided within, and not in addition to, the Limits of Insurance applying to these Additional Coverages and is limited to the lesser of the amount recoverable under:
 1. The applicable Additional Coverage as of its effective date; or
 2. The prior insurance, had it remained in effect.

III. Change To The Causes Of Loss – Special Form

- A. The Exclusions section does not apply to the coverage for Employee Dishonesty in Paragraph D. of Section I of this endorsement, except for the following exclusions:
 1. Governmental Action;
 2. Nuclear Hazard; and
 3. War And Military Action.
- B. The following additional exclusions apply to these Additional Coverages.

We will not pay for:

1. Loss or damage resulting from any dishonest or criminal act committed by:
 - a. You, your partners, or your members;
 - b. Your officers, "managers", directors, trustees, or authorized representatives; or
 - c. Anyone to whom you entrust the property for any purpose; whether acting alone or in collusion with other persons.

Paragraph b. does not apply to "tenants' property" covered in Paragraph D.2. of Section I of this endorsement above.
2. Loss or damage that is an indirect result of any act covered by this insurance including, but not limited to, loss or damage resulting from:
 - a. Your inability to realize income that you would have realized had there been no loss of or damage to

"money" or "securities";

- b. Payment of damages of any type for which you are legally liable. But we will pay compensatory damages arising directly from a loss covered under this insurance; or
 - c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
- 3. Expenses related to any legal action; or
 - 4. Loss or damage the only proof of which as to its existence or amount is one or both of the following:
 - a. An inventory computation; or
 - b. A profit and loss computation.

IV. Definitions

A. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.

B. "Employee"

- 1. "Employee", as respects the coverage provided under Paragraphs A. and D. of Section I of this endorsement for Money And Securities and Employee Dishonesty only, means:

a. Any natural person:

- (1) While in your service or for 30 days after termination of service;
- (2) Who you compensate directly by salary, wages or commissions; and
- (3) Who you have the right to direct and control while performing services for you; or

b. Any natural person who is furnished temporarily to you:

- (1) To substitute for a permanent "employee" as defined in Paragraph 1.a. above, who is on leave; or
- (2) To meet seasonal or short-term workload conditions;

while that person is subject to your direction and control and performing services for you.

- 2. "Employee" does not mean:

a. Any agent, broker, person leased to you by a labor leasing firm, factor,

commission merchant, consignee, independent contractor or representative of the same general character; or

- b. Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

C. "Forgery" means the signing of the name of another person or organization with intent to deceive. It does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

D. "Manager", as respects the coverage provided under Paragraph D. of Section I of this endorsement for Employee Dishonesty only, means a person serving in a directorial capacity for a limited liability company.

E. "Money" means:

- 1. Currency, coins and bank notes in current use and having a face value; and
- 2. Travelers checks, register checks and money orders held for sale to the public.

F. "Occurrence", as respects the coverage provided under:

- 1. Paragraph A. of Section I of this endorsement for Money And Securities only, means all loss caused by one or more persons and involving a single act or series of related acts.

- 2. Paragraph B. of Section I of this endorsement for Money Orders And Counterfeit Money only, means:

- (a) An act or series of related acts involving one or more persons; or
- (b) An act or event, or a series of related acts or events not involving any person.

- 3. Paragraph C. of Section I of this endorsement for Forgery Or Alteration only, means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

- 4. Paragraph D. of Section I of this endorsement for Employee Dishonesty only, means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.

G. "Securities" means negotiable and

non-negotiable instruments or contracts representing either "money" or other property and includes:

1. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
2. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

- H. "Tenant" means anyone, other than an "employee", who is lawfully residing in a residential condominium or cooperative unit, leased residential unit or apartment of a Covered Building.

A person is lawfully residing in a residential unit or apartment if:

1. He or she is in compliance with the terms of a written lease with you or owns a fee simple title to a residential condominium or cooperative unit; and
2. He or she is a permanent resident of such residential unit or apartment during the term of the lease.

- I. "Tenants' property" means "money", "securities" and other tangible property having intrinsic value that belongs to your "tenants".

POLICY NUMBER: 009 9836120 00

COMMERCIAL PROPERTY
Form 10-02-1903 (Ed. 12-09)**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****RESIDENTIAL BUILDING ENHANCEMENTS**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART – BUILDING AND PERSONAL PROPERTY COVERAGE FORM

COMMERCIAL PROPERTY COVERAGE PART – CONDOMINIUM ASSOCIATION COVERAGE FORM

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

COMMERCIAL PROPERTY COVERAGE PART – CAUSES OF LOSS – SPECIAL FORM

The provisions of the Building And Personal Property Coverage Form, Condominium Association Coverage Form and Causes Of Loss – Special Form apply except as otherwise provided in this endorsement. All numbers and letters used to designate paragraphs in this endorsement are specific to this endorsement only. They do not reference paragraphs in the Commercial Property Coverage Part.

These Additional Coverages are subject to the Deductible applicable to Building unless stated otherwise.

I. Application Of Aggregate Limit

The Aggregate Limit Of Insurance applies to the Coverages shown in the Residential Building Enhancements – Schedule. Unless otherwise stated, this Aggregate Limit Of Insurance applies separately at each described premises shown in the Declarations.

At time of loss or damage, the first Named Insured may elect to apportion this Aggregate Limit Of Insurance to one or any combination of the Coverages to which it applies, but under no circumstance will the aggregate apportionment be permitted to exceed the Aggregate Limit Of Insurance at any one described premises. For the purpose of the application of this Aggregate Limit Of Insurance, all property at one premises, regardless of the number of buildings at that premises, shall constitute a single premises.

II. Changes To The Building And Personal Property And Condominium Association Coverage Forms

A. The Pollutant Clean Up And Removal Limit of Insurance is increased to \$25,000.

B. The Fire Department Service Charge Additional Coverage is replaced by the following:

Emergency Responder Service Charge

When a fire department, police department or other security service, ambulance company, or EMT is called to save or protect:

1. Covered Property from a Covered Cause of Loss; or
2. Your "tenants" from the effects of a Covered Cause of Loss,

we will pay up to \$5,000, unless a higher limit is shown in the Residential Building Enhancements – Schedule, for your liability for such emergency responder charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

C. The following coverages are added to Additional Coverages in the Coverage section:**1. Fire Extinguisher Systems Expense**

a. We will pay:

- (1) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and
- (2) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or fire extinguishing system.

- b. No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- c. The most we will pay under this Additional Coverage is \$10,000 in any one occurrence.
- d. No deductible applies to this Additional Coverage.

2. Reward Payment

- a. We will reimburse you for rewards paid as follows:

- (1) Up to \$5,000 to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss. However, we will pay no more than the lesser of the following amounts:

- (a) Actual cash value of the Covered Property at the time of loss or damage, but not more than the amount required to repair or replace it; or

- (b) The amount determined by the loss settlement procedure applicable to the Covered Property under the Loss Payment Condition.

- (2) Up to \$5,000 to an eligible person for the return of stolen Covered Property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:

- (a) Actual cash value based on the condition of the Covered Property at the time it is returned, but not more than the amount required to repair or replace it; or

- (b) The amount determined by the loss settlement procedure applicable to the returned Covered Property under the Loss Payment Condition.

- b. This Additional Coverage applies subject to the following conditions:

- (1) An eligible person means that person designated by a law enforcement agency as being the

first to voluntarily provide the information leading to the arrest and conviction or return of the stolen Covered Property, and who is not:

- (a) You or any family member;
- (b) Your employee or any of his or her family members;
- (c) An employee of a law enforcement agency;
- (d) An employee of a business engaged in property protection;
- (e) Any person who had custody of the Covered Property at the time the theft was committed; or
- (f) Any person involved in the crime.

- (2) No reward will be reimbursed unless and until the person(s) committing the crime is (are) convicted or the Covered Property is returned.

- (3) The lesser of the amount of the reward or \$5,000 is the most we will reimburse for loss under this Additional Coverage in any one occurrence.

3. Outdoor Signs

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:

- (1) Owned by you; or
- (2) Owned by others but in your care, custody or control.

- b. The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$5,000 unless a different limit for outdoor signs is shown in the Residential Building Enhancements – Schedule.

- c. The provisions of this Additional Coverage supersede all other outdoor signs coverage references in the Building And Personal Property Coverage Form and the Condominium Association Coverage Form.

4. Lock Replacement

- a. We will pay for the cost to repair or replace locks at the described premises due to theft or other loss to keys.

b. The most we will pay under this Additional Coverage for all loss or damage in any one occurrence is \$5,000.

c. A per occurrence deductible of \$100 will apply.

5. Ordinance Or Law — Equipment Coverage

a. Subject to Paragraph b., if a Covered Cause of Loss occurs to equipment that is Covered Property, we will pay to repair or replace the equipment as required by law.

b. The terms of this coverage apply separately to each piece of covered equipment.

c. We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

d. Loss to the equipment will be determined as follows:

(1) If the Replacement Cost Coverage Option applies and the equipment is repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

(a) The amount you actually spend to repair the equipment;

(b) The amount it would cost to replace the equipment with equipment of the same kind and quality; or

(c) The Limit of Insurance shown in the Declarations as applicable to the equipment that is Covered Property.

(2) If the Replacement Cost Coverage Option applies and the equipment is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:

(a) The actual cash value of the equipment at the time of loss; or

(b) The Limit of Insurance shown in the Declarations as applicable to the equipment that is Covered Property.

(3) We will not pay for loss due to any ordinance or law that:

(a) You were required to comply with before the loss, even if the equipment was undamaged; and

(b) You failed to comply with.

e. The Coinsurance Additional Condition does not apply to this coverage.

6. Tenant Move Back Expenses

a. We will pay for expenses that you incur to move your "tenants" back to the described premises from a temporary location in the event that your "tenants" must temporarily vacate a Covered Building at the premises described in the Declarations due to untenability. The vacancy must result from a direct physical loss or damage to your Covered Property caused by or resulting from a Covered Cause of Loss.

b. We will only pay for the following expenses:

(1) Packing, transporting and unpacking of "tenants" property; and

(2) The net cost to reestablish the "tenants" utility and telephone services, after any refunds due the "tenants".

c. We will only pay for expenses listed in Paragraphs b.(1) and b.(2) above that you incur within 60 days of the date that the damaged building has been repaired or rebuilt.

d. The most we will pay under this Additional Coverage in any one occurrence at each described premises is \$25,000, but not more than \$750 for each unit that was vacated.

7. Real Estate Tax Assessment Increase

a. We will pay you for an increase in your real estate tax assessment that occurs within 2 years of direct physical loss or damage to a building that is your Covered Property at a premises described in the Declarations caused by or resulting from a Covered Cause of Loss. Only the first such increase is eligible for this coverage.

- b. The increased assessment:
 - (1) Must arise solely from repair, rebuilding or reconstruction resulting from covered loss or damage;
 - (2) May not be due to any improvements, reconfigurations or redesigns of the previous building; and
 - (3) May not be the result of a change in the tax rate.

This coverage does not apply to tax penalties or late fees.

- c. The most we will pay under this Additional Coverage is \$50,000 for any one occurrence.

8. Unintentional Errors And Omissions

- a. In the event direct physical loss or damage to Covered Property is not payable under this policy as a result of:

- (1) An unintentional error or omission in the description or location of such Covered Property; or
- (2) Failure through unintentional error or omission to include any premises you own or occupy;

we will pay such loss or damage only to the extent this policy would have paid such loss or damage if the unintentional error or omission had not been made, not to exceed \$50,000.

- b. This Additional Coverage applies only if:

- (1) Such unintentional error or omission existed at the effective date of this contract, the effective date of any subsequent endorsement or during the term of this contract;
- (2) You report and correct such unintentional error or omission when discovered; and
- (3) You pay such additional premium as may be required.

- c. This Additional Coverage does not apply if:

- (1) You collect any portion of the loss or damage under this policy or any other policy; or

- (2) The direct physical loss or damage is caused by or results from earthquake or flood.

9. Disease Or Infestation Control

- a. We will pay for the necessary expenses you incur as a result of a public health authority order issued to you and requiring that you:

- (1) Evacuate "tenants";
- (2) Disinfect the premises; and
- (3) Test to confirm disinfection or remediation;

at one or more premises described in the Declarations as a result of a "disease or infestation incident".

- b. This coverage does not include:

- (1) Fines or penalties;
- (2) Direct physical loss or damage to property; or
- (3) Any other direct or indirect loss or expense;

arising from the "disease or infestation incident".

- c. This coverage also does not apply to any "disease or infestation incident", arising from a cause of loss that is excluded in this policy. For the purposes of this coverage, Exclusion **B.2.d.(5)** of the Causes Of Loss – Special Form does not apply.

- d. The most we will pay under this Additional Coverage is \$25,000 for the sum of all expenses during each separate 12-month period of this policy.

- e. A per occurrence deductible of \$1,000 will apply.

D. Coverage Extensions in the Coverage section is amended as follows:

- 1. The Period Of Coverage provision of Newly Acquired Or Constructed Property is replaced by the following:

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- a. This policy expires;
- b. 60 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property;

- c. With respect to "computers", when more specific insurance at the newly acquired premises is obtained; or
- d. You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

2. Personal Effects And Property Of Others is replaced by the following:

You may extend the insurance that applies to Your Business Personal Property to apply to:

- a. Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage caused by theft.
- b. Personal property of others, except "tenants" property (or property of others for which the "tenant" is liable), in your care, custody or control.

The most we will pay for loss or damage in any one occurrence under this Extension is \$5,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

3. Valuable Papers And Records (Other Than Electronic Data) is replaced by the following:

- a. You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage to valuable papers and records wherever located in the coverage territory that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Extension includes the cost to research lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered – Electronic Data.

- b. This Extension does not apply to:

- (1) Property held as samples or for delivery after sale; or
- (2) Property in storage away from the premises shown in the Declarations.

- c. The most we will pay under this Extension for loss or damage to valuable papers and records in any one occurrence at each described premises is the Aggregate Limit Of Insurance shown in the Residential Building Enhancements – Schedule.

For valuable papers and records not at a described premises, the most we will pay is \$5,000 in any one occurrence.

Such amounts are additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

4. Property Off-Premises is replaced by the following:

- a. You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (1) Temporarily at a location you do not own, lease or operate;
 - (2) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (3) At any fair, trade show or exhibition.
- b. This Extension does not apply to property:
 - (1) In or on a vehicle;
 - (2) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition; or

(3) That is more specifically covered off-premises elsewhere in this policy.

c. The most we will pay for loss or damage under this Extension in any one occurrence is \$15,000.

5. Outdoor Property is replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to the following outdoor property located on the described premises:

a. Outdoor spas and swimming pools, fences and retaining walls that are not a part of a building. The most we will pay for loss or damage under this Extension is \$10,000 in any one occurrence;

b. Outdoor radio, television, satellite or other antennas, including their masts, towers and lead-in and support wiring. The most we will pay for loss or damage under this Extension is \$5,000 in any one occurrence; and

c. Outdoor trees, shrubs and plants (other than "stock" of trees, shrubs or plants). The most we will pay for loss or damage, including debris removal expense, under this Extension is \$10,000 for any one occurrence, but not more than \$500 for any one tree, shrub or plant;

but only for loss caused by or resulting from the following causes of loss and only if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or civil commotion; or
- (5) Aircraft.

6. Accounts Receivable is added as follows:

a. You may extend the insurance that applies to Your Business Personal Property to accounts receivable wherever located in the coverage territory. We will pay:

- (1) All amounts due from your "tenants" that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are

unable to collect pending our payment of these amounts;

(3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and

(4) Other reasonable expenses that you incur to reestablish your records of accounts receivable;

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

b. The most we will pay under this Extension for loss or damage in any one occurrence at each described premises is the Aggregate Limit of Insurance shown in the Residential Building Enhancements – Schedule.

For accounts receivable not at a described premises, the most we will pay is \$2,500 in any one occurrence.

c. To the extent that coverage for accounts receivable is provided under this Extension, the provisions of **Property Not Covered** in the Coverage section do not apply.

7. Fine Arts is added as follows:

a. You may extend the insurance that applies to Your Business Personal Property to fine arts wherever located in the coverage territory, including such property of others while in your care, custody or control.

b. Fine arts means:

(1) Paintings, rare books, sculptures, manuscripts, pictures, prints, etchings, drawings, tapestries, bronzes, statuary, potteries, porcelains, marbles and other bona fide works of art; or

(2) Items of rarity or historical value.

It does not include valuable papers and records or "computers", "data" or "media".

c. For the purposes of this Coverage Extension, the value of Fine Arts will be the price that such property might be expected to realize if offered for sale in a fair market on the date of loss or damage. However, the value of Fine Arts of others in

your care, custody or control, will not be greater than the amount for which you are contractually liable.

- d. In case of loss or damage to any part of a pair or set, we may:

- (1) Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- (2) Pay the difference between the value of the pair or set before and after the loss or damage.

- e. The most we will pay under this Extension for loss or damage in any one occurrence at each described premises is \$10,000.

For fine arts not at a described premises, the most we will pay is \$2,500 in any one occurrence.

8. Electronic Data Processing Equipment And Media is added as follows:

- a. You may extend the insurance that applies to Your Business Personal Property to "computers", "data" and "media" wherever located in the coverage territory, including such property of others while in your care, custody or control.

- b. For the purposes of this Coverage Extension, the value of:

- (1) "Computers" will be:

- (a) The cost of replacing the equipment with new property functionally identical to the damaged equipment if replaced; or

- (b) Actual cash value if the property is not repaired or replaced.

In the event of partial damage to a "computer", we will not pay more than the cost of reasonably restoring the property to its condition immediately prior to the loss.

- (2) "Data" will be the actual cost to reproduce. If the "data" is not replaced or reproduced, we will pay the cost of the value of the "media" with no stored "data".

- (3) "Media" will be the cost to repair or replace the "media" with substantially identical property.

- c. This Coverage Extension does not apply to property you hold for sale, distribute or manufacture.

- d. The most we will pay under this Extension for loss or damage in any one occurrence at each described premises is the Aggregate Limit Of Insurance shown in the Residential Building Enhancements – Schedule.

For "computers", "data" and "media" not at a described premises, the most we will pay is \$2,500 in any one occurrence.

9. Mobile Equipment is added as follows:

- a. You may extend the insurance that applies to Your Business Personal Property to mobile equipment, wherever located in the coverage territory, including such property of others while in your care, custody or control.

- b. This coverage extension does not apply to:

- (1) Aircraft, watercraft, or motor vehicles designed for use on public roads;

- (2) Property while waterborne; or

- (3) Property you loan, lease or rent to others.

- c. The most we will pay under this Extension for loss or damage in any one occurrence at each described premises is the Aggregate Limit Of Insurance shown in the Residential Building Enhancements – Schedule.

For mobile equipment not at a described premises, the most we will pay is \$2,500 in any one occurrence.

III. Change To The Business Income Coverage Forms (With Or Without Extra Expense)

Under Paragraphs:

- A. A.5.c., Extended Business Income of the Business Income (And Extra Expense) Coverage Form; and

- B. A.4.d., Extended Business Income of the Business Income (Without Extra Expense) Coverage Form,

the number 30 in Subparagraphs (1)(b)(ii) and (2)(b)(ii) is replaced by the number 180.

IV. Changes To The Causes Of Loss – Special Form

- A. The paragraphs referencing the excluded Causes of Loss to personal property in the Exclusions section (paragraph B.2.d.(7)) are replaced by the following:

We will not pay for loss or damage caused by or resulting from the following causes of loss to personal property:

1. Dampness or dryness of atmosphere, or changes in or extremes of temperature, unless such conditions result from physical damage caused by a Covered Cause of Loss to an air conditioning unit or system, including equipment and parts, which is part of, or used with, "computers"; or

2. Marring or scratching.

But if an excluded cause of loss that is listed in Paragraph 1. or 2. above results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- B. The Exclusions section and Limitations section do not apply to the coverage for Outdoor Signs in Paragraph C. of Section II of this endorsement, except for the following exclusions:**

1. Governmental Action;
2. Nuclear Hazard;
3. War And Military Action;
4. Wear and tear;
5. Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself; and
6. Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

- C. The Exclusions section does not apply to the Valuable Papers And Records (Other Than Electronic Data) or Accounts Receivable Coverage Extensions in Paragraph D. of Section II of this endorsement, except for the following exclusions:**

1. Governmental Action;
2. Nuclear Hazard;
3. War And Military Action;
4. Computer-Related Losses;
5. Computer Advice or Consultation;
6. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more;
7. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective sys-

tems) caused by or resulting from freezing, unless:

- a. You do your best to maintain heat in the building or structure; or
- b. You drain the equipment and shut off the supply if the heat is not maintained; and

8. Loss or damage caused by or resulting from any of the following, Paragraphs a. through c. But if an excluded cause of loss that is listed in a. through c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in any of the following exclusions to produce the loss or damage:

- (1) Ordinance Or Law;
- (2) Earth Movement;
- (3) Governmental Action;
- (4) Nuclear Hazard;
- (5) Utility Services;
- (6) War And Military Action;
- (7) Water; and
- (8) "Fungus", Wet Rot, Dry Rot And Bacteria.

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance; of part or all of any property on or off the described premises.

- D. The following additional exclusions apply to the Accounts Receivable Coverage Extension only:

We will not pay for:

1. Loss or damage caused by or resulting from alteration, falsification, conceal-

ment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

2. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
 3. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.
- E. The Exclusions section does not apply to the Fine Arts, Electronic Data Processing Equipment And Media and Mobile Equipment Coverage Extensions except for the following exclusions:**
1. Governmental Action;
 2. Nuclear Hazard;
 3. War And Military Action;
 4. Delay, loss of use, loss of market or any other consequential loss.
 5. Dishonest or criminal act committed by:
 - a. You, any of your partners, employees, directors, trustees, or authorized representatives;
 - b. A manager or a member if you are a limited liability company;
 - c. Anyone else with an interest in the property, or their employees or authorized representatives; or
 - d. Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

6. Processing or any work upon the Covered Property such as repairing, restoration or retouching it.

But if work upon the property results in fire or explosion, we will pay for direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.
7. Voluntary parting with any property by you or anyone entrusted with the prop-

erty if induced to do so by any fraudulent scheme, trick, device or false pretense.

8. Unauthorized instructions to transfer property to any person or to any place.
9. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
10. a. Wear and tear, depreciation.
 - b. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.
 - c. Insects, vermin or rodents.
 - d. Corrosion, rust, dampness, extremes of temperature.

But if loss or damage by a Covered Cause of Loss results from subparagraphs a. through d. above, we will pay for the loss or damage caused by that Covered Cause of Loss.

- F. The following additional exclusions apply to the Electronic Data Processing Equipment And Media Coverage Extension only:**

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
 - a. **Errors Or Omissions**

Errors or omissions in processing, recording or storing electronic data on "computers".

However, we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would otherwise be covered by this policy.
 - b. **Electrical Disturbance**

Electrical or magnetic injury, disturbance or erasure of electronic recordings.

However, we will pay for direct loss or damage caused by lightning.
 - c. **Computer-Related Losses**

The failure, malfunction or inadequacy of:

 - (1) Any of the following, whether belonging to any insured or to others:
 - (a) "Computer" hardware, in-

cluding microprocessors;

- (b) "Computer" application software;
- (c) "Computer" operating systems and related software;
- (d) "Computer" networks;
- (e) Microprocessors ("computer" chips) not part of any "computer" system; or
- (f) Any other computerized or electronic equipment or components; or

- (2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph c.(1) above;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times.

d. Computer Advice Or Consultation

Any advice, consultation, design, evaluation, inspection, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Exclusion c. above.

e. Computer Virus

Virus, harmful code or similar instruction introduced into or enacted on a "computer" system (including "data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.

This exclusion applies except to the extent coverage is provided under the Electronic Data Additional Coverage.

- 2. If an excluded cause of loss as described in Exclusion b., c. or d. above results in a "specified cause of loss", or in elevator collision resulting from mechanical breakdown, we will pay only for the loss or damage caused by such "specified cause of loss" or elevator collision. We will not pay for repair, replacement or modification of any items in Exclusion c. above to correct any deficiencies or change any features.

- G. The following additional exclusions apply to the Fine Arts Coverage Extension only:

We will not pay for:

- 1. Breakage of art glass windows, statuary, glassware, bric-a-brac, marble, porcelain and similar fragile property.

But we will pay for loss or damage for such breakage caused directly by fire, lightning, explosion, windstorm, earthquake, flood, vandalism, aircraft, rioters, strikers, theft or attempted theft, or by accident to the vehicle carrying the property, if these causes of loss would be covered under this Coverage Form.

- 2. Marring, scratching, chipping or denting of fine arts.

But we will pay for such loss or damage caused directly by fire, lightning, explosion, windstorm, earthquake, flood, vandalism, aircraft, rioters, strikers, theft or attempted theft, or by accident to the vehicle carrying the property if these causes of loss would be covered under this Coverage Form

- H. The following additional exclusions apply to the Mobile Equipment Coverage Extension only:

We will not pay for:

- 1. Theft from any unattended vehicle unless at the time of theft its windows, doors and compartments were closed and locked and there are visible signs that the theft was the result of forced entry. But this exclusion does not apply to property in the custody of a carrier for hire.
- 2. Unexplained disappearance.
- 3. Shortage found upon taking inventory.
- 4. Artificially generated current creating a short circuit or other electric disturbance within an article covered under this policy.
- 5. Mechanical breakdown, malfunction or failure to operate.
- 6. Loss or damage caused by the weight of a load exceeding the applicable load rating of the equipment as published by the manufacturer.

V. Definitions

A. "Computer" means:

- 1. Your programmable electronic equipment that is used to store, retrieve and process electronic data. It includes their component parts and dedicated air conditioning, fire suppression equipment and electrical equipment used exclusively in your "computer" operations;

and

2. Associated peripheral equipment that provides communication, including input and output functions such as printing or auxiliary functions such as electronic data transmission.

It does not include electronic "data" and "media".

B. "Data" means:

1. Data stored on "media"; and
2. Programming records used for electronic data processing or electronically controlled equipment.

C. "Disease or infestation incident" means the actual release into public spaces of:

1. A disease caused by a biological agent that can be transmitted from one individual to another; or
2. Insects, birds, rodents or other animals that represent a danger to human health.

D. "Media" means electronic data processing, recording or storage media such as software, films, tapes, discs, drums or cells.

E. "Tenant" means anyone, other than your employee, who is lawfully residing in a resi-

dential condominium or cooperative unit, leased residential unit or apartment of a Covered Building.

A person is lawfully residing in a residential unit or apartment if:

1. He or she is in compliance with the terms of a written lease with you or owns a fee simple title to a residential condominium or cooperative unit; and
2. He or she is a permanent resident of such residential unit or apartment during the term of the lease.

POLICY NUMBER: 009 9836120 00

COMMERCIAL PROPERTY
Form 10-02-1904 (Ed. 12-09)**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****RESIDENTIAL BUILDING ENHANCEMENTS – SCHEDULE**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART – BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART – CONDOMINIUM ASSOCIATION COVERAGE FORM
 BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
 BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART – CAUSES OF LOSS – SPECIAL FORM

SCHEDULE*

Aggregate Limit Of Insurance	\$50,000
Applicable to Coverage Extensions for:	Accounts Receivable
	Electronic Data Processing Equipment And Media
	Mobile Equipment
	Valuable Papers And Records (Other Than Electronic Data)

Limits applicable to other Coverages:

Coverage		Limit Of Insurance
Pollutant Clean Up And Removal		\$25,000
Emergency Responder Service Charge†		\$5,000
Fire Extinguisher Systems Expense		\$10,000
Reward Payment		\$5,000
Outdoor Signs†		\$5,000
Lock Replacement†		\$5,000
Ordinance Or Law – Equipment Coverage		Included
Tenant Move Back Expenses		\$25,000 Max \$750/unit
Real Estate Tax Assessment Increase		\$50,000
Unintentional Errors And Omissions		\$50,000
Disease Or Infestation Control		\$25,000
Personal Effects And Property Of Others		\$5,000
Valuable Papers And Records - Not At Described Premises		\$5,000
Property Off-Premises		\$15,000
Outdoor Property:	Spas & swimming pools	\$10,000
	Antennas	\$5,000
	Trees, shrubs & plants	\$10,000
		Max \$500/item
Fine Arts:	At Described Premises	\$10,000
	Not At Described Premises	\$2,500
Not At Described Premises:	Accounts Receivable	\$2,500
	Electronic Data Processing Equipment And Media	\$2,500
	Mobile Equipment	\$2,500
	Valuable Papers And Records (Other Than Electronic Data)	\$5,000

*Information required to complete the Schedule, if not shown on this endorsement, will be shown in the Declarations.

†The limits for these coverages may be increased on this form from the amounts stated in the Residential Building Enhancements form.

SCHEDULE OF MORTGAGEE'S / LENDER LOSS PAYABLES

Page 1 of 1
GWFG 00064

COMMERCIAL PROPERTY
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BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H., Definitions.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dish-washing or laundering;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property — Separation Of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, back-filling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to your "stock" of prepackaged software;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or

- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers;
- q. The following property while outside of buildings:
 - (1) Grain, hay, straw or other crops;
 - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss Form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

EXAMPLE #1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 - \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

EXAMPLE #2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 30,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000, unless a higher limit is shown in the Declarations, for your liability for fire department service charges:

(1) Assumed by contract or agreement prior to loss; or

(2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

(1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.

(2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.

(3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.

- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
 - (5) Under this Additional Coverage, we will not pay for:
 - (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
 - (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
 - (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.
 The amount payable under this Additional Coverage is additional insurance.
 - (7) With respect to this Additional Coverage:
 - (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.
 - (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
 - (9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.
- f. Electronic Data**
- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data.

- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
- (a) If the Causes Of Loss — Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
 - (b) If the Causes Of Loss — Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.
- 5. Coverage Extensions**
- Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.
- If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:
- a. Newly Acquired Or Constructed Property**
- (1) Buildings**
- If this policy covers Building, you may extend that insurance to apply to:
- (a) Your new buildings while being built on the described premises; and
 - (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.
- The most we will pay for loss or damage under this Extension is \$250,000 at each building.
- (2) Your Business Personal Property**
- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:
 - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss — Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
- (3) If the Causes Of Loss — Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

d. Property Off-premises

(1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:

- (a) Temporarily at a location you do not own, lease or operate;
- (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
- (c) At any fair, trade show or exhibition.

(2) This Extension does not apply to property:

- (a) In or on a vehicle; or
- (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

(3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

f. Non-owned Detached Trailers

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

(a) The trailer is used in your business;

(b) The trailer is in your care, custody or control at the premises described in the Declarations; and

(c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

(a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;

(b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss Form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage:

- 1. Fire Department Service Charge;
- 2. Pollutant Clean-up And Removal;
- 3. Increased Cost Of Construction; and
- 4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

EXAMPLE #1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building #1:	\$ 60,000
Limit of Insurance – Building #2:	\$ 80,000
Loss to Building #1:	\$ 60,100
Loss to Building #2:	\$ 90,000

The amount of loss to Building #1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building #1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building #1:

\$ 60,100
– 250

\$ 59,850 Loss Payable – Building #1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building #2. Loss payable for Building #2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

\$59,850 + \$80,000 = \$139,850

EXAMPLE #2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example #1.

Loss to Building #1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building #2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building #1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building #2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- Pay its chosen appraiser; and
- Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

- You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
- 4. Loss Payment**
- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.
- We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
 - c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
 - d. We will not pay you more than your financial interest in the Covered Property.
 - e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
 - f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
 - g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.
 - h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair

or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
- (ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or

renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

- (a) Vandalism;
- (b) Sprinkler leakage, unless you have protected the system against freezing;
- (c) Building glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in b., c., d. and e. below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings;
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.

c. "Stock" you have sold but not deliv-

ered at the selling price less discounts and expenses you otherwise would have had.

d. Glass at the cost of replacement with safety-glazing material if required by law.

e. Tenants' Improvements and Betterments at:

(1) Actual cash value of the lost or damaged property if you make repairs promptly.

(2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

(a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

(1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;

(2) Divide the Limit of Insurance of the

property by the figure determined in Step (1);

(3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and

(4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

EXAMPLE #1 (UNDERINSURANCE)

When: The value of the property is: \$ 250,000
The Coinsurance percentage for it is: 80%
The Limit of Insurance for it is: \$ 100,000
The Deductible is: \$ 250
The amount of loss is: \$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

EXAMPLE #2 (ADEQUATE INSURANCE)

When: The value of the property is: \$ 250,000
The Coinsurance percentage for it is: 80%
The Limit of Insurance for it is: \$ 200,000
The Deductible is: \$ 250
The amount of loss is: \$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

EXAMPLE #3

When: The value of the property is:	
Building at Location #1:	\$ 75,000
Building at Location #2:	\$ 100,000
Personal Property at Location #2:	\$ 75,000
	<u>\$ 250,000</u>
The Coinsurance percentage for it is:	90%
The Limit of Insurance for Buildings and Personal Property at Locations #1 and #2 is:	\$ 180,000
The Deductible is:	\$ 1,000
The amount of loss is:	
Building at Location #2:	\$ 30,000
Personal Property at Location #2:	\$ 20,000
	<u>\$ 50,000</u>

Step (1): $\$250,000 \times 90\% = \$225,000$

(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 + \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving

notice from us of your failure to do so; and

- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value

shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

EXAMPLE

If: The applicable Limit of Insurance is: \$ 100,000
 The annual percentage increase is: 8%
 The number of days since the beginning of the policy year (or last policy change) is: 146
 The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 = \$ 3,200$

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash

Value in the Valuation Loss Condition of this Coverage Form.

- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:

- (1) The Limit of Insurance applicable to the lost or damaged property;
- (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
- (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions

of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

COMMERCIAL PROPERTY
CP 00 30 06 07

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F., Definitions.

A. Coverage

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal

property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss Form as shown in the Declarations.

4. Additional Limitation — Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage — Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage — Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

5. Additional Coverages

a. Civil Authority

In this Additional Coverage — Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends;

whichever is later.

b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and

(3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:

- (a) Used in the construction, alterations or additions; or
- (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 30 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
 - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 30 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

d. Interruption Of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation — Interruption Of Computer Operations.
- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:

- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage – Interruption Of Computer Operations includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage – Interruption Of Computer Operations.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage – Interruption of Computer Operations is \$2,500 for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not

increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- (5) This Additional Coverage – Interruption in Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

NEWLY ACQUIRED LOCATIONS

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1) This policy expires;
 - (2) 30 days expire after you acquire or begin to construct the property; or
 - (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

- 1. Alterations And New Buildings;
- 2. Civil Authority;
- 3. Extra Expense; or
- 4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) of Insurance shown in the Declarations for any other coverage.

C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Loss

- a. You must see that the following are done in the event of loss:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This

will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (7) Cooperate with us in the investigation or settlement of the claim.

- (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
 - (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
 - (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.
- c. **Resumption Of Operations**
We will reduce the amount of your:
 - (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
 - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

D. Additional Condition

COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

- 1. The Coinsurance percentage shown for Business Income in the Declarations; times
- 2. The sum of:
 - a. The Net Income (Net Profit or Loss before income taxes), and
 - b. Operating expenses, including payroll expenses,
 that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

- Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and
- Step (3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;

- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
- (11) All ordinary payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion — not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

EXAMPLE #1 (UNDERINSURANCE)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 150,000

The amount of loss is: \$ 80,000

Step (1): $\$400,000 \times 50\% = \$200,000$

(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$150,000 \div \$200,000 = .75$

Step (3): $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

EXAMPLE #2 (ADEQUATE INSURANCE)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000

The Coinsurance percentage is: 50%

The Limit of Insurance is: \$ 200,000

The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$400,000 \times 50\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

(1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or

(2) The Limit of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:

(1) The Limit of Insurance, multiplied by

(2) The fraction shown in the Declarations for this Optional Coverage.

EXAMPLE

When: The Limit of Insurance is: \$ 120,000
 The fraction shown in the
 Declarations for this Optional
 Coverage is: 1/4
 The most we will pay for loss in
 each period of 30 consecutive
 days is: \$ 30,000
 (\$120,000 x 1/4 = \$30,000)
 If, in this example, the actual
 amount of loss is:

Days 1–30:	\$ 40,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	\$ 90,000

We will pay:

Days 1–30:	\$ 30,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	\$ 80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value**a. To activate this Optional Coverage:**

(1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":

(a) During the 12 months prior to the date of the Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

(a) The Coinsurance percentage shown in the Declarations; multiplied by

(b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

b. The Additional Condition, Coinsurance, is suspended until:

(1) 12 months after the effective date of this Optional Coverage; or

(2) The expiration date of this policy; whichever occurs first.

c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

(1) Within 12 months of the effective date of this Optional Coverage; or

(2) When you request a change in your Business Income Limit of Insurance.

d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

(1) The Business Income Limit of Insurance; divided by

(2) The Agreed Value.

EXAMPLE

When: The Limit of Insurance is: \$ 100,000
 The Agreed Value is: \$ 200,000
 The amount of loss is: \$ 80,000

Step (1): $\$100,000 \div \$200,000 = .50$

Step (2): $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 30 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:

- a. Your business activities occurring at the described premises; and
- b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

3. "Period of restoration" means the period of time that:**a. Begins:**

- (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
- (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.**5. "Rental Value" means Business Income that consists of:**

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
- b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

6. "Suspension" means:

- a. The slowdown or cessation of your business activities; or
- b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

COMMERCIAL PROPERTY

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

COMMERCIAL PROPERTY
CP 01 33 01 11

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- A.** If this policy covers the interest of the owner of any of the following types of buildings or structures:

- 1.** Residential (except 1 or 2 family buildings or structures);
- 2.** Commercial; or
- 3.** Industrial;

the following provision is added:

Before payment to you for loss or damage to the above buildings or structures caused by or resulting from fire, we will:

- (1)** Deduct from your payment the claim of any tax district that issues a certificate of lien in accordance with the Insurance Law; and
- (2)** Pay directly to the tax district the amount of the claim.

When we pay that claim, we will have no obligation to pay the amount of that claim to you. Our payment of that claim within 30 days of our receipt of the certificate of lien will be a conclusive presumption that the claim was valid and properly paid.

- B.** The following is added with respect to any Condition of this Coverage Part which requires you to notify us of loss or to notify us of an accident, claim or "suit":

- 1.** Notice given by or on your behalf; or
- 2.** Written notice by or on behalf of any claimant;

to any of our agents in New York State, which adequately identifies you, will be the same as notice to us.

C. Legal Action Against Us

- 1.** The Legal Action Against Us Loss Condition in the Legal Liability Coverage Form is replaced by the following:

No person or organization has a right under this Coverage Form:

- a.** To join us as a party or otherwise bring us into a "suit" asking for damages from you; or

- b.** To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against you; but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or the claimant's legal representative.

- 2.** Paragraph **b.** of Additional Condition **H.5. Legal Action Against Us** in the Mortgage-holders Errors And Omissions Coverage Form is replaced by the following:

- b.** No person or organization has a right under Coverages **C** and **D**:

- (1)** To join us as a party or otherwise bring us into a "suit" asking for damages from you; or
- (2)** To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against you; but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or the claimant's legal representative.

- D. The Examination Of Your Books And Records** Common Policy Condition is replaced by the following:

Examination Of Your Books And Records

- 1.** Except as provided in **2.** below, we may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

2. We will conduct an audit to determine the final premium due or to be refunded, for coverage for which an advance or deposit premium was paid based on estimated exposure. But the audit may be waived if:
 - a. The total annual premium attributable to the auditable exposure base is not reasonably expected to exceed \$1,500; or
 - b. The policy requires notification to the insurer with the specific identification of any additional exposure units (e.g., buildings) for which coverage is requested.

If the audit is not waived, it must be completed within 180 days after:

 - a. The expiration date of the policy; or
 - b. The anniversary date, if this is a continuous policy or a policy written for a term longer than one year.
- E. The following sentence is deleted from Paragraph A. in the Legal Liability Coverage Form:
We will have the right and duty to defend any "suit" seeking those damages.

The following sentence is added to Paragraph A. in the Legal Liability Coverage Form:
We will have the right and duty to defend any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent.
- F. The following sentence is deleted from Paragraph A.3. in the Mortgageholders Errors And Omissions Coverage Form:
We will have the right and duty to defend any "suit" seeking those damages.

The following is added to Paragraph A.3. in the Mortgageholders Errors And Omissions Coverage Form:
We will have the right and duty to defend any "suit" seeking those damages even if the allegations of the "suit" are groundless, false or fraudulent.
- G. The following Condition is added to Paragraph D. of the Legal Liability Coverage Form and Paragraph H. of the Mortgageholders Errors And Omissions Coverage Form:
Transfer Of Duties When A Limit Of Insurance Is Used Up
 1. If we conclude that, based on claims or "suits" which have been reported to us and to which this insurance may apply, a Limit of Insurance is likely to be used up in the payment of judgments or settlements, we will notify the first Named Insured, in writing, to that effect.
2. When the Limit of Insurance has actually been used up in the payment of judgments or settlements:
 - a. We will notify the first Named Insured, in writing, as soon as practicable, that:
 - (1) Such a limit has actually been used up; and
 - (2) Our duty to defend "suits" seeking damages subject to that limit has also ended.
 - b. We will initiate, and cooperate in, the transfer of control, to any appropriate insured, of all claims and "suits" seeking damages which are subject to that limit and which are reported to us before that limit is used up. That insured must cooperate in the transfer of control of said claims and "suits".

We agree to take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

We will take no action whatsoever with respect to any claim or "suit" seeking damages that would have been subject to that limit, had it not been used up, if the claim or "suit" is reported to us after that limit of insurance has been used up.
 - c. The first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.
3. The first Named Insured will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph 2.b. above.

The duty of the first Named Insured to reimburse us will begin on:
 - a. The date on which the applicable limit of insurance is used up, if we sent notice in accordance with Paragraph 1. above; or
 - b. The date on which we sent notice in accordance with Paragraph 2.a. above, if we did not send notice in accordance with Paragraph 1. above.

4. The exhaustion of any limit of insurance by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.
- H. Except as provided in I. below, the Appraisal Condition is replaced by the following:
- Appraisal**
1. If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand.
 2. If we or you fail to proceed with the appraisal of the covered loss after a written demand is made by either party, then either party may apply to a court having jurisdiction for an order directing the party that failed to proceed with the appraisal to comply with the demand for the appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such order.
 3. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding.
 4. Each party will:
 - a. Pay its chosen appraiser; and
 - b. Bear the other expenses of the appraisal and umpire equally.
- If there is an appraisal, we will still retain our right to deny the claim.
- I. The Appraisal Condition in:
1. Business Income (And Extra Expense) Coverage Form **CP 00 30**; and
 2. Business Income (Without Extra Expense) Coverage Form **CP 00 32**;

is replaced by the following:

Appraisal

1. If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand.
2. If we or you fail to proceed with the appraisal of the covered loss after a written demand is made by either party, then either party may apply to a court having jurisdiction for an order directing the party that failed to proceed with the appraisal to comply with the demand for the appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such order.
3. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding.
4. Each party will:
 - a. Pay its chosen appraiser; and
 - b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

- J. The following provision is added to the **Commercial Property Coverage Part**:

Estimation Of Claims

Upon request, we will furnish you or your representative with a written estimate of damages to real property specifying all deductions, provided such an estimate has been prepared by us or has been prepared on our behalf for our own purposes. This estimate will be provided within thirty days after your request or its preparation, whichever is later.

- K. The following provision is added to the **Legal Liability Coverage Form** and supersedes any provision to the contrary:

Failure to give prompt notice to us, as required under this Coverage Form, shall not invalidate any claim made by you or any other claimant, unless the failure to provide such timely notice has prejudiced us. However, no claim made by you or any other claimant will be invalidated if it shall be shown not to have been reasonably possible to give such timely notice and that notice was given as soon as was reasonably possible thereafter.

COMMERCIAL PROPERTY
CP 01 64 03 09

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NEW YORK CHANGES – FUNGUS,
WET ROT AND DRY ROT**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- A. In the Causes Of Loss – Basic Form, Causes Of Loss – Broad Form, Causes Of Loss – Special Form, and Mortgageholders Errors And Omissions Coverage Form, the exclusion titled "Fungus", Wet Rot, Dry Rot And Bacteria and the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria are deleted. Under these forms, the following exclusion is added:

We will not pay for loss or damage caused by or resulting from "fungus", wet rot or dry rot. However, this exclusion does not apply when "fungus", wet rot or dry rot results from a Covered Cause of Loss.

- B. In the Building And Personal Property Coverage Form and the Condominium Association Coverage Form, under the Additional Coverage – Increased Cost Of Construction, Paragraph A.4.e.(5) is replaced by the following:

Under this Additional Coverage, we will not pay for:

1. The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or
 2. Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- C. Paragraph C. of Ordinance Or Law Coverage Endorsement CP 04 05 is replaced by the following:

We will not pay under Coverage A, B or C of this endorsement for:

1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or

2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

- D. Paragraph A. of Ordinance Or Law – Increased Period Of Restoration Endorsement CP 15 31 is replaced by the following:

If a Covered Cause of Loss occurs to property at the premises described in the Declarations, coverage is extended to include the amount of actual and necessary loss you sustain during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of any ordinance or law that:

1. Regulates the construction or repair of any property;
2. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
3. Is in force at the time of loss.

However, coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of any ordinance or law which requires:

1. The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or
2. Any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

- E. Paragraph **E.3.** of Functional Building Valuation Endorsement **CP 04 38** is replaced by the following:

We will not pay under this endorsement for:

1. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants"; or
2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

COMMERCIAL PROPERTY
CP 01 78 08 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK – EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part.
- C.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

COMMERCIAL PROPERTY
CP 10 30 06 07

CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section G., Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations; that follow.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance Or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;

- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government,

sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if Water, as described in **g.(1)** through **g.(4)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. "Fungus", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage – Collapse; or
- (b) To collapse caused by one or more of the following:
 - (i) The "specified causes of loss";
 - (ii) Breakage of building glass;
 - (iii) Weight of rain that collects on a roof; or
 - (iv) Weight of people or personal property.
- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

- m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- 3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;

of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

- a. **Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form**

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

(2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

(3) Any increase of loss caused by or resulting from:

(a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

(4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(5) Any other consequential loss.

b. Leasehold Interest Coverage Form

(1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

(a) Your cancelling the lease;

(b) The suspension, lapse or cancellation of any license; or

(c) Any other consequential loss.

c. Legal Liability Coverage Form

(1) The following exclusions do not apply to insurance under this Coverage Form:

(a) Paragraph B.1.a., Ordinance Or Law;

(b) Paragraph B.1.c., Governmental Action;

(c) Paragraph B.1.d., Nuclear Hazard;

(d) Paragraph B.1.e., Utility Services; and

(e) Paragraph B.1.f., War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

(i) Your assumption of liability was executed prior to the accident; and

(ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property.

LOSS OR DAMAGE TO PRODUCTS

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or

repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

- (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

- (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or

- (2) Business Income Coverage or Extra Expense Coverage.

- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

- a. Animals, and then only if they are killed or their destruction is made necessary.

- b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

- (1) Glass; or

- (2) Containers of property held for sale.

- c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

- (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

- (2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:

- a. \$2,500 for furs, fur garments and garments trimmed with fur.

- b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.

- c. \$2,500 for patterns, dies, molds and forms.

- d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, C.3., does not apply to Business Income Coverage or to Extra Expense Coverage.

- 4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
 - a. Results in discharge of any substance from an automatic fire protection system; or
 - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in D.1. through D.7.

- 1. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- 2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
 - a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the

course of the construction, remodeling or renovation.

- d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (1) A cause of loss listed in 2.a. or 2.b.;
 - (2) One or more of the "specified causes of loss";
 - (3) Breakage of building glass;
 - (4) Weight of people or personal property; or
 - (5) Weight of rain that collects on a roof.

3. This Additional Coverage – Collapse does not apply to:

- a. A building or any part of a building that is in danger of falling down or caving in;
- b. A part of a building that is standing, even if it has separated from another part of the building; or
- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- b. Awnings, gutters and downspouts;
- c. Yard fixtures;
- d. Outdoor swimming pools;
- e. Fences;
- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in 2.a. through 2.d., we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and

(2) The property is Covered Property under this Coverage Form.

5. If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- a. The collapse of personal property was caused by a cause of loss listed in 2.a. through 2.d.;
- b. The personal property which collapses is inside a building; and
- c. The property which collapses is not of a kind listed in 4., regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 5. does not apply to personal property if mar- ring and/or scratching is the only damage to that personal property caused by the collapse.

6. This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, lean- ing, settling, shrinkage or expansion.

7. This Additional Coverage – Collapse will not increase the Limits of Insurance pro- vided in this Coverage Part.

8. The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in D.1. through D.7.

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. The coverage described in E.2. and E.6. only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorse- ment applies to the affected premises.

2. We will pay for loss or damage by "fun- gus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
- b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
- c. The cost of testing performed after removal, repair, replacement or restora- tion of the damaged property is com- pleted, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

3. The coverage described under E.2. of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occur- rences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occur- rence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria con- tinues to be present or active, or recurs, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Pro- perty. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insur- ance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph F.2. (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage – Collapse.

6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.

- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property in Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, wind-storm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.

- (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, F.3., does not increase the Limit of Insurance.

G. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified causes of loss" means the following: fire; lightning; explosion; wind-storm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.

- b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

COMMERCIAL PROPERTY
CP 10 32 08 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

A. The exclusion in Paragraph B. replaces the **Water** Exclusion in this Coverage Part or Policy.

B. Water

1. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
2. Mudslide or mudflow;
3. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
4. Water under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings; or

5. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph 1., 3. or 4., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs 1. through 5., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs 1. through 5., results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

COMMERCIAL PROPERTY
CP 10 45 08 99

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EARTHQUAKE AND VOLCANIC ERUPTION
ENDORSEMENT
(SUB-LIMIT FORM)**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.
- B.** This endorsement applies to the Covered Property and Coverages for which an Earthquake - Volcanic Eruption Limit of Insurance is shown in the Earthquake - Volcanic Eruption Coverage Schedule or in the Declarations.
- C. Additional Covered Causes Of Loss**
- 1.** The following are added to the Covered Causes of Loss:
 - a.** Earthquake.
 - b.** Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.
 - 2.** If the Earthquake - Volcanic Eruption Coverage Schedule or the Declarations indicate that this endorsement covers Earthquake-Sprinkler Leakage Only, then the Covered Causes of Loss in Paragraph C.1. of this endorsement do not apply, and the following apply instead:
 - a.** Sprinkler Leakage resulting from Earthquake.
 - b.** Sprinkler Leakage resulting from Volcanic Eruption. Volcanic Eruption means the eruption, explosion or effusion of a volcano.

All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.
- D. Exclusions, Limitations And Related Provisions**
- 1.** The Exclusions and Limitation(s) sections of the Causes of Loss Form (and the Exclusions section of the Mortgageholders Errors and Omissions Coverage Form and the Standard Property Policy) apply to coverage provided under this endorsement, except as provided in D.2. and D.3. below.
 - 2.** To the extent that the Earth Movement Exclusion might conflict with coverage provided under this endorsement, the Earth Movement Exclusion does not apply.
 - 3.** The exclusion of collapse, in the Causes of Loss-Special Form and Mortgageholders Errors And Omissions Coverage Form, does not apply to collapse caused by Earthquake or Volcanic Eruption.
 - 4.** The Additional Coverage - Collapse, in the Causes of Loss - Broad Form, Causes of Loss - Special Form and Mortgageholders Errors And Omissions Coverage Form, does not apply to the coverage provided under this endorsement. This endorsement includes coverage for collapse caused by Earthquake or Volcanic Eruption.
 - 5.** We will not pay for loss or damage caused directly or indirectly by tidal wave or tsunami, even if attributable to an Earthquake or Volcanic Eruption.
 - 6.** We will not pay for loss or damage caused by or resulting from any Earthquake or Volcanic Eruption that begins before the inception of this insurance.
 - 7.** The Ordinance Or Law Exclusion in this Coverage Part continues to apply with respect to any loss under this Coverage Part including any loss under this endorsement, unless Ordinance Or Law Coverage is added by endorsement.

8. We will not pay for loss of or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying the Property Damage Deductible applicable to this endorsement.

This limitation, D.8., does not apply if:

- a. The Earthquake - Volcanic Eruption Coverage Schedule or the Declarations indicate that the "Including Masonry Veneer" option applies; or
 - b. Less than 10% of the total outside wall area is faced with masonry veneer (excluding stucco).
9. Under this Coverage Part, as set forth under Property Not Covered in the Coverage Form to which this endorsement is attached, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or remediating land.

E. No Coinsurance

The Coinsurance Condition in this policy, if any, does not apply to the coverage provided under this endorsement.

Various Coverage Extensions, in the Coverage Form to which this endorsement is attached, require coinsurance. The coinsurance requirement for such Coverage Extensions is eliminated with respect to coverage provided under this endorsement.

F. Limit Of Insurance

1. General Information

The term Limit of Insurance means the Limit of Insurance applicable to Earthquake - Volcanic Eruption for the Covered Property or Coverage under which loss or damage is sustained.

The Earthquake - Volcanic Eruption Coverage Schedule or the Declarations provide information on the Limit of Insurance applicable to Covered Property and Coverages for Earthquake - Volcanic Eruption.

2. Annual Aggregate Limit

The Limit of Insurance for Earthquake - Volcanic Eruption is an annual aggregate limit and as such is the most we will pay for the total of all loss or damage that is caused by Earthquake or Volcanic Eruption in a 12-month period (starting with the beginning of the present annual policy period), even if there is more than one Earthquake or Volcanic Eruption

during that period of time. Thus, if the first Earthquake or Volcanic Eruption does not exhaust the Limit of Insurance, then the balance of that Limit is available for a subsequent Earthquake(s) or Volcanic Eruption(s).

If a single Earthquake or Volcanic Eruption (as defined in Section C. of this endorsement) begins during one annual policy period and ends during the following annual policy period, any Limit of Insurance applicable to the following annual policy period will not apply to such Earthquake or Volcanic Eruption.

3. Increased Annual Aggregate Limit Option

If the Earthquake - Volcanic Eruption Coverage Schedule or the Declarations indicate that the Increased Annual Aggregate Limit Option applies, then the following applies instead of Paragraph F.2. above:

The Limit of Insurance for Earthquake - Volcanic Eruption is the most we will pay in a single Earthquake or Volcanic Eruption (as defined in Section C. of this endorsement) for loss or damage caused by the Earthquake or Volcanic Eruption. If there is more than one Earthquake or Volcanic Eruption in a 12-month period (starting with the beginning of the present annual policy period), the most we will pay for the total of all loss or damage sustained during that period of time and caused by Earthquake or Volcanic Eruption is two times the Limit of Insurance.

If a single Earthquake or Volcanic Eruption (as defined in Section C. of this endorsement) begins during one annual policy period and ends during the following annual policy period, any Limit of Insurance applicable to the following annual policy period will not apply to such Earthquake or Volcanic Eruption.

4. Additional Coverages And Coverage Extensions

Amounts payable under an Additional Coverage or Coverage Extension, as set forth in the applicable Coverage Form, do not increase the Limit of Insurance for Earthquake - Volcanic Eruption.

5. Limitation

For property or coverage that is subject to a Blanket Limit on Earthquake - Volcanic Eruption (as shown in the Earthquake - Volcanic Eruption Coverage Schedule or in the Declarations), we will not pay more than we would pay in the absence of such Blanket Limit. Therefore, the maximum amount payable for any such item of property or coverage is the Limit of Insurance or stated value (as shown in a Statement of Values on file with us) specific to that item of property or coverage

for Covered Causes of Loss other than Earthquake - Volcanic Eruption.

6. Ensuing Loss

If a Cause of Loss (such as fire) is covered by means of an exception to the Earth Movement Exclusion, in the Causes of Loss Form, we will also pay for the loss or damage caused by that other Covered Cause of Loss. But the most we will pay, for the total of all loss or damage caused by the Earthquake, Volcanic Eruption and other Covered Cause of Loss, is the Limit of Insurance applicable to such other Covered Cause of Loss. We will not pay the sum of the two Limits.

EXAMPLES - ENSUING LOSS

Two examples follow, using these facts: The Commercial Property Coverage Part, in these examples, includes the Causes of Loss - Basic Form (which covers fire) and this Earthquake - Volcanic Eruption Endorsement. A building is damaged by Earthquake, and by Fire which is caused by the Earthquake. The value of the damaged building is \$1,000,000. The Limit of Insurance applicable to the building, for the Basic Causes of Loss, is \$800,000. The Limit of Insurance for Earthquake - Volcanic Eruption is \$400,000. The Earthquake Deductible amount is \$50,000.

Example #1

The damage due to Earthquake is \$500,000.

The damage due to Fire is \$500,000.

Payment for Earthquake damage is \$400,000 (\$500,000 damage minus \$50,000 Earthquake deductible = \$450,000; Limit is \$400,000)

Payment for Fire damage is \$400,000 (\$500,000 damage capped at the difference between the Basic Limit and the Earthquake Limit)

Total Loss Payment is \$800,000.

Example #2

The damage due to Earthquake is \$800,000.

The damage due to Fire is \$100,000.

Payment for Earthquake damage is \$400,000 (\$800,000 damage minus \$50,000 Earthquake deductible = \$750,000; Limit is \$400,000)

Payment for Fire damage is \$100,000 (amount of damage)

Total Loss Payment is \$500,000.

G. Property Damage Deductible

1. The provisions of Section G.2. of this endorsement are applicable to all Coverage Forms except:

- a. Business Income (And Extra Expense) Coverage Form;
- b. Business Income (Without Extra Expense) Coverage Form;
- c. Extra Expense Coverage Form.

2. The Deductible, if any, in this Coverage Part is replaced by the following with respect to Earthquake and Volcanic Eruption:

a. All Policies

- (1) The Deductible provisions apply to each Earthquake or Volcanic Eruption.
- (2) Separate Deductibles are calculated for, and apply to, each building, personal property at each building and personal property in the open. Deductibles are separately calculated and applied even if:
 - (a) Two or more buildings sustain loss or damage;
 - (b) Personal property at two or more buildings sustains loss or damage; and/or
 - (c) A building and the personal property in that building sustain loss or damage.
- (3) We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance.
- (4) When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Earthquake - Volcanic Eruption Coverage Schedule or in the Declarations for any described premises.
- (5) If there is loss or damage caused by Earthquake or Volcanic Eruption, and loss or damage caused by a Cause of Loss (e.g., fire) that is covered by means of an exception to the Earth Movement Exclusion, then the only applicable Deductible provisions are those stated in this endorsement.

b. Calculation Of The Deductible - Specific Insurance Other Than Builders Risk

(1) Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Earthquake - Volcanic Eruption Coverage Schedule or in the Declarations, concerning the Earthquake - Volcanic Eruption Deductible) of the value of the property that has sustained loss or damage. The value to be used is that shown in the most recent Statement of Values on file with us.

(2) Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Earthquake - Volcanic Eruption Coverage Schedule or in the Declarations, concerning the Earthquake - Volcanic Eruption Deductible) of the value of the property that has sustained loss or damage. The value to be used is the latest value shown in the most recent Report of Values on file with us.

However:

- (a) If the most recent Report of Values shows less than the full value of the property on the report dates, we will determine the deductible amount as a percentage of the full value as of the report dates.
- (b) If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the value shown in the most recent Statement of Values on file with us.

c. Calculation Of The Deductible - Blanket Insurance Other Than Builders Risk

(1) Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Earthquake - Volcanic Eruption Coverage Schedule or in the Declarations, concerning the Earthquake - Volcanic Eruption Deductible) of the value of the property that has sustained loss or damage.

The value to be used is that shown in the most recent Statement of Values on file with us.

(2) Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to a percentage (as shown in the Earthquake - Volcanic Eruption Coverage Schedule or in the Declarations, concerning the Earthquake - Volcanic Eruption Deductible) of the value of that property as of the time of loss or damage.

d. Calculation Of The Deductible - Builders Risk Insurance

(1) Builders Risk Other Than Reporting Form

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to a percentage (as shown in the Earthquake - Volcanic Eruption Coverage Schedule or in the Declarations, concerning the Earthquake - Volcanic Eruption Deductible) of the actual cash value of that property as of the time of loss or damage.

(2) Builders Risk Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Earthquake - Volcanic Eruption Coverage Schedule or in the Declarations, concerning the Earthquake - Volcanic Eruption Deductible) of the value of the property that has sustained loss or damage. The value to be used is the actual cash value shown in the most recent Report of Values on file with us.

However:

- (a) If the most recent Report of Values shows less than the actual cash value of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value as of the report date.
- (b) If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value of the property as of the time of loss or damage.

H. Example - Application Of Deductible In G.2.b.(1) And G.2.c.(1) - For Specific Or Blanket Insurance Other Than Builders Risk (Not Subject To Value Reporting Forms)

The values, as shown in the most recent Statement of Values on file with us, are:

Building #1 \$500,000

Building #2 \$500,000

Business Personal Property at Building #1 \$250,000

Business Personal Property at Building #2 \$250,000

For this example, assume that the amounts of loss do not exceed the applicable Limits of Insurance (for specific Insurance). Also assume that the total amount of loss does not exceed the applicable blanket Limit of Insurance (for blanket insurance).

Building #1 and Business Personal Property at Building #1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Business Personal Property).

The Deductible is 10%.

Building

Step (1): $\$500,000 \times 10\% = \$50,000$

Step (2): $\$95,000 - \$50,000 = \$45,000$

Business Personal Property

Step (1): $\$250,000 \times 10\% = \$25,000$

The loss, \$5,000, does not exceed the deductible.

The most we will pay is \$45,000. The remainder of the building loss, \$50,000, is not covered due to application of the Deductible. There is no loss payment for the business personal property.

I. Business Income And Extra Expense Period Of Restoration

This Section, I., is applicable only to the Coverage Forms specified below:

1. Business Income (And Extra Expense) Coverage Form;
2. Business Income (Without Extra Expense) Coverage Form;
3. Extra Expense Coverage Form.

The "period of restoration" definition stated in the Coverage Form, or in any endorsement amending the beginning of the "period of restoration", applies to each Earthquake or Volcanic Eruption. A single Earthquake or Volcanic Eruption is defined in Section C. of this endorsement.

COMMERCIAL PROPERTY
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLOOD COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.
- B.** This endorsement applies to the Covered Property and Coverages for which a Flood Limit of Insurance is shown in the Flood Coverage Schedule or in the Declarations.
- C. Additional Covered Cause Of Loss**
The following is added to the Covered Causes Of Loss:
Flood, meaning a general and temporary condition of partial or complete inundation of normally dry land areas due to:
1. The overflow of inland or tidal waters;
 2. The unusual or rapid accumulation or runoff of surface waters from any source; or
 3. Mudslides or mudflows which are caused by flooding as defined in **C.2.** above. For the purpose of this Covered Cause Of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.
- All flooding in a continuous or protracted event will constitute a single flood.
- D. Exclusions, Limitations And Related Provisions**
1. The Exclusions and Limitation(s) sections of the Causes Of Loss Form (and the Exclusions section of the Mortgageholders Errors And Omissions Coverage Form and the Standard Property Policy) apply to coverage provided under this endorsement except as provided in **D.2.** and **D.3.** below.
 2. To the extent that a part of the Water Exclusion might conflict with coverage provided under this endorsement, that part of the Water Exclusion does not apply.
 3. To the extent that a tsunami causes the overflow of tidal waters, the exclusion of earthquake, in the Earth Movement Exclusion, does not apply.
 4. The **Ordinance Or Law** Exclusion in this Coverage Part continues to apply with respect to any loss under this Coverage Part including any loss under this endorsement, unless Ordinance Or Law Coverage is added by endorsement.
 5. The following exclusions and limitations are added and apply to coverage under this endorsement:
 - a. We will not pay for any loss or damage caused by or resulting from any Flood that begins before or within 72 hours after the inception date of this endorsement. If you request and we provide an increase in the stated Limit of Insurance for Flood, the increase will not apply to loss or damage from any Flood that begins before or within 72 hours after your request was made.

If the Flood is due to the overflow of inland or tidal waters, then the Flood is considered to begin when the water first overflows its banks.
 - b. We will not pay for loss or damage caused by or resulting from destabilization of land arising from the accumulation of water in subsurface land areas.
 - c. Under this Coverage Part, as set forth under Property Not Covered in the Coverage Form to which this endorsement is attached, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or remediating land due to the

collapse or sinking of land caused by or resulting from Flood. However, coverage under this endorsement includes damage to the covered portions of the building and to covered personal property, caused by collapse or sinking of land along the shore of a body of water as the result of erosion or undermining caused by waves or currents of water which exceed the cyclical levels and cause Flood.

- d. We do not cover loss or damage by Flood to personal property in the open except to the extent that such coverage, if any, is specified in the Flood Coverage Schedule or in the Declarations.
- e. Property Not Covered, in the Coverage Form to which this endorsement is attached, is amended and supplemented as follows with respect to Flood Coverage:
 - (1) Property Not Covered includes any building or other property that is not eligible for flood insurance pursuant to the provisions of the Coastal Barrier Resources Act, 16 U.S.C. 3501 *et seq.* and the Coastal Barrier Improvement Act of 1990, Pub. L. 101-591, 16 U.S.C. 350 *et seq.*
 - (2) Property Not Covered includes boat houses and open structures, and any property in or on the foregoing, if the structure is located on or over a body of water.
 - (3) If bulkheads, pilings, piers, wharves, docks, or retaining walls that are not part of a building, have been removed from Property Not Covered and added as Covered Property by separate endorsement, this Flood Coverage Endorsement does not apply to such property.
 - (4) The following are removed from Property Not Covered and are therefore Covered Property:
 - (a) Foundations below the lowest basement floor or the subsurface of the ground; and
 - (b) Underground pipes, flues and drains.
- f. We will not pay for loss or damage caused by sewer back-up or overflow

unless such back-up or overflow results from Flood and occurs within 72 hours after the flood recedes.

E. Additional Coverages And Coverage Extensions

1. With respect to Flood Coverage, the Debris Removal Additional Coverage (and any additional limit for Debris Removal under a Limit Of Insurance clause or an endorsement) is not applicable and is replaced by the following:

DEBRIS REMOVAL

- a. We will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from Flood. However, we will not pay to remove deposits of mud or earth from the grounds of the described premises.
 - b. We will also pay the expense to remove debris of Covered Property that has floated or been hurled off the described premises by Flood.
 - c. This coverage for Debris Removal, as set forth in E.1.a. and E.1.b. above, does not increase the applicable Limit of Insurance for Flood. Therefore, the most we will pay for the total of debris removal and loss or damage to Covered Property is the Limit of Insurance for Flood that applies to the Covered Property at the affected described premises covered under this endorsement.
2. With respect to Flood Coverage, the Coverage Extension for Newly Acquired or Constructed Property is amended by adding the following:
 - a. With respect to Flood Coverage, this Coverage Extension does not apply to any building or structure that is not fully enclosed by walls and roof.
 - b. With respect to a building or structure covered under this Coverage Extension, the amounts of coverage stated in the Coverage Extension do not apply to Flood Coverage. Instead, the most we will pay for all loss or damage to property covered under this Coverage Extension is 10% of the total of all Limits of Insurance for Flood Coverage as provided under this endorsement. Such coverage does not increase the Limit of Insurance for Flood.

3. With respect to any applicable Additional Coverages and Coverage Extensions in the Coverage Form to which this endorsement is attached, other than those addressed in E.1. and E.2. above, amounts payable under such other provisions, as set forth therein, do not increase the Limit of Insurance for Flood.

F. Coinsurance

1. The Coinsurance Condition, if any, in the applicable Coverage Form applies to the coverage provided under this endorsement, unless the No-Coinsurance Option, in the Flood Coverage Schedule or in the Declarations, is specified as being applicable.
2. Various Coverage Extensions, in the Coverage Form to which this endorsement is attached, require coinsurance. If the No-Coinsurance Option applies, then the coinsurance requirement for such Coverage Extensions is eliminated.

G. Limit Of Insurance

1. General Information

Flood Coverage may be written at a Limit of Insurance that is equal to or less than the Limit of Insurance which applies to other Covered Causes of Loss (e.g., Fire) under this Commercial Property Coverage Part.

The Limit of Insurance for Flood is shown in the Flood Coverage Schedule or in the Declarations. If such Limit is not shown, then the Limit applicable to Fire also applies to Flood.

2. Application Of Limit And Aggregate

The Limit of Insurance for Flood is the most we will pay in a single occurrence of Flood for loss or damage caused by the Flood. If there is more than one Flood in a 12-month period (starting with the beginning of the present annual policy period), the most we will pay for the total of all loss or damage sustained during that period of time and caused by Flood is the amount that is identified as the Annual Aggregate for Flood as shown in the Flood Coverage Schedule or the Declarations.

If the Limit of Insurance and the Annual Aggregate amount are the same, or if there is no amount stated as an Annual

Aggregate, then the Limit of Insurance is the most we will pay for the total of all loss or damage that is caused by Flood in a 12-month period (starting with the beginning of the present annual policy period), even if there is more than one occurrence of Flood during that period of time. Thus, if the first Flood does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for a subsequent Flood(s).

If a single occurrence of Flood begins during one annual policy period and ends during the following annual policy period, any Limit of Insurance or Annual Aggregate applicable to the following annual policy period will not apply to that Flood.

3. Ensuing Loss

In the event of covered ensuing loss, for example, loss caused by Fire, Explosion and/or Sprinkler Leakage which results from the Flood, the most we will pay, for the total of all loss or damage caused by flood, fire, explosion and sprinkler leakage, is the Limit of Insurance applicable to Fire. We will not pay the sum of the Fire and Flood Limits.

EXAMPLES – ENSUING LOSS

Two examples follow, using these facts: The Commercial Property Coverage Part, in these examples, includes the Causes of Loss – Basic Form (which covers fire) and this Flood Coverage Endorsement. A building is damaged by Flood and by Fire which is caused by the Flood. The value of the damaged building is \$1,000,000. The Limit of Insurance applicable to the building, for the Basic Causes of Loss, is \$800,000. The Limit of Insurance for Flood is \$400,000. The Flood Deductible amount is \$5,000.

EXAMPLE #1

The damage due to Flood is \$500,000. The damage due to Fire is \$500,000.

Payment for Flood damage is \$400,000 (\$500,000 damage minus \$5,000 Flood deductible = \$495,000; Limit is \$400,000).

Payment for Fire damage is \$400,000 (\$500,000 damage capped at the difference between the Basic Limit and the Flood Limit).

Total Loss Payment is \$800,000.

EXAMPLE #2

The damage due to Flood is \$800,000. The damage due to Fire is \$100,000.

Payment for Flood damage is \$400,000 (\$800,000 damage minus \$5,000 Flood deductible = \$795,000; Limit is \$400,000).

Payment for Fire damage is \$100,000 (amount of damage).

Total Loss Payment is \$500,000.

Note: These Examples are given only to illustrate the situation of flood and ensuing loss. Therefore, the loss payment stated for flood damage does not address the situation where another policy also covers the flood damage.

H. Deductible

1. The Deductible for coverage provided under this endorsement is the Deductible applicable to Flood as shown in the Flood Coverage Schedule or in the Declarations.
2. We will not pay that part of the loss that is attributable to any Deductible(s) in the National Flood Insurance Program policy.
3. If Flood results in another Covered Cause of Loss and if both Covered Causes of Loss cause loss or damage, then only the higher deductible applies (e.g., the Flood deductible or the Fire deductible).

I. Other Insurance

The **Other Insurance** Commercial Property Condition is replaced by the following with respect to the coverage provided under this endorsement:

1. If the loss is also covered under a National Flood Insurance Program (NFIP) policy, or if the property is eligible to be written under an NFIP policy but there is no such policy

in effect, then we will pay only for the amount of loss in excess of the maximum limit that can be insured under that policy. This provision applies whether or not the maximum NFIP limit was obtained or maintained, and whether or not you can collect on the NFIP policy. We will not, under any circumstances, pay more than the applicable Limit of Insurance for Flood as stated in the Flood Coverage Schedule or the Declarations of this Coverage Part.

However, this Provision I.1. does not apply under the following circumstances:

- a. At the time of loss, the property is eligible to be written under an NFIP policy but such policy is not in effect due solely to ineligibility of the property at the time this Flood Coverage Endorsement was written; or
 - b. An NFIP policy is not in effect because we have agreed to write this Flood Coverage Endorsement without underlying NFIP coverage. There is such an agreement only if the Flood Coverage Schedule or the Declarations indicate that the Underlying Insurance Waiver applies.
2. If there is other insurance covering the loss, other than that described in I.1. above, we will pay our share of the loss. Our share is the proportion that the applicable Limit of Insurance under this endorsement bears to the total of the applicable Limits of Insurance under all other such insurance. But we will not pay more than the applicable Limit of Insurance stated in the Flood Coverage Schedule or the Declarations of this Coverage Part.

POLICY NUMBER: 009 9836120 00

COMMERCIAL PROPERTY
CP 12 18 06 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 BUILDERS' RISK COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 STANDARD PROPERTY POLICY

SCHEDULE

Premises Number:	1	Building Number:	1	Applicable Clause (Enter C., D., E., or F.):	D
Description Of Property: [REDACTED] Loss Payee Name: [REDACTED] Loss Payee Address: [REDACTED]					
Premises Number:	2	Building Number:	1	Applicable Clause (Enter C., D., E., or F.):	D
Description Of Property: [REDACTED] Loss Payee Name: [REDACTED] Loss Payee Address: [REDACTED]					
Premises Number:	2	Building Number:	1	Applicable Clause (Enter C., D., E., or F.):	D
Description Of Property: [REDACTED] Loss Payee Name: [REDACTED] Loss Payee Address: [REDACTED]					
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.					

A. When this endorsement is attached to the Standard Property Policy CP 00 99, the term Coverage Part in this endorsement is replaced by the term Policy.

B. Nothing in this endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.

The following is added to the **Loss Payment** Loss Condition, as indicated in the Declarations or in the Schedule:

C. Loss Payable Clause

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

D. Lender's Loss Payable Clause

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- a. Warehouse receipts;
- b. A contract for deed;
- c. Bills of lading;
- d. Financing statements; or
- e. Mortgages, deeds of trust, or security agreements.

2. For Covered Property in which both you and a Loss Payee have an insurable interest:

- a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
- c. If we deny your claim because of your acts or because you have failed to

comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

E. Contract Of Sale Clause

1. The Loss Payee shown in the Schedule or

in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.

2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:

- a. Adjust losses with you; and
- b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

3. The following is added to the **Other Insurance** Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

F. Building Owner Loss Payable Clause

1. The Loss Payee shown in the Schedule or

in the Declarations is the owner of the described building, in which you are a tenant.

2. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.
3. We will adjust losses to tenants' improvements and betterments with you, unless the lease provides otherwise.

POLICY NUMBER: 009 9836120 00

COMMERCIAL PROPERTY
CP 12 18 06 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 BUILDERS' RISK COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 STANDARD PROPERTY POLICY

SCHEDULE

Premises Number:	3	Building Number:	1	Applicable Clause (Enter C., D., E., or F.):	D
Description Of Property: [REDACTED] Loss Payee Name: [REDACTED] Loss Payee Address: [REDACTED]					
Premises Number:	4	Building Number:	1	Applicable Clause (Enter C., D., E., or F.):	D
Description Of Property: [REDACTED] Loss Payee Name: [REDACTED] Loss Payee Address: [REDACTED]					
Premises Number:	7	Building Number:	1	Applicable Clause (Enter C., D., E., or F.):	D
Description Of Property: [REDACTED] Loss Payee Name: [REDACTED] Loss Payee Address: [REDACTED]					
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.					

A. When this endorsement is attached to the Standard Property Policy CP 00 99, the term Coverage Part in this endorsement is replaced by the term Policy.

B. Nothing in this endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.

The following is added to the Loss Payment Loss Condition, as indicated in the Declarations or in the Schedule:

C. Loss Payable Clause

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

D. Lender's Loss Payable Clause

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- a. Warehouse receipts;
- b. A contract for deed;
- c. Bills of lading;
- d. Financing statements; or
- e. Mortgages, deeds of trust, or security agreements.

2. For Covered Property in which both you and a Loss Payee have an insurable interest:

- a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
- c. If we deny your claim because of your acts or because you have failed to

comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:

- a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

E. Contract Of Sale Clause

1. The Loss Payee shown in the Schedule or

in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.

2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:

- a. Adjust losses with you; and
- b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

3. The following is added to the **Other Insurance Condition**:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

F. Building Owner Loss Payable Clause

1. The Loss Payee shown in the Schedule or

in the Declarations is the owner of the described building, in which you are a tenant.

2. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.
3. We will adjust losses to tenants' improvements and betterments with you, unless the lease provides otherwise.

POLICY NUMBER: 009 9836120 00

COMMERCIAL PROPERTY
CP 12 18 06 07

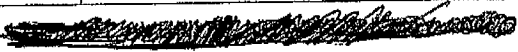

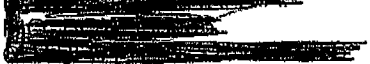
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 BUILDERS' RISK COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 STANDARD PROPERTY POLICY

SCHEDULE

Premises Number:	8	Building Number:	1	Applicable Clause (Enter C., D., E., or F.):	D
Description Of Property: 201 EAST 14TH STREET, NEW YORK, NY 10003 Loss Payee Name: REFER TO FORM 100219661 (08/10) Loss Payee Address: BANK OF AMERICA, N.A. 900 WEST TRADE ST., STE. 650 CHARLOTTE NC 28255					
Premises Number:	9	Building Number:	1	Applicable Clause (Enter C., D., E., or F.):	D
Description Of Property:  Loss Payee Name:  Loss Payee Address: 					
Premises Number:		Building Number:		Applicable Clause (Enter C., D., E., or F.):	
Description Of Property: Loss Payee Name: Loss Payee Address:					
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.					

A. When this endorsement is attached to the Standard Property Policy CP 00 99, the term Coverage Part in this endorsement is replaced by the term Policy.

B. Nothing in this endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.

The following is added to the **Loss Payment** Loss Condition, as indicated in the Declarations or in the Schedule:

C. Loss Payable Clause

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

D. Lender's Loss Payable Clause

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- a. Warehouse receipts;
- b. A contract for deed;
- c. Bills of lading;
- d. Financing statements; or
- e. Mortgages, deeds of trust, or security agreements.

2. For Covered Property in which both you and a Loss Payee have an insurable interest:

- a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
- c. If we deny your claim because of your acts or because you have failed to

comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:

- a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

E. Contract Of Sale Clause

1. The Loss Payee shown in the Schedule or

in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.

2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:

- a. Adjust losses with you; and
- b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

3. The following is added to the Other Insurance Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

F. Building Owner Loss Payable Clause

1. The Loss Payee shown in the Schedule or

in the Declarations is the owner of the described building, in which you are a tenant.

2. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.
3. We will adjust losses to tenants' improvements and betterments with you, unless the lease provides otherwise.

POLICY NUMBER: 009,9836120 00

COMMERCIAL PROPERTY
CP DS 06 10 00

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EARTHQUAKE - VOLCANIC ERUPTION
COVERAGE SCHEDULE** PAGE 1 OF 2

This endorsement provides supplementary information to be used with the following:

EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT (SUB-LIMIT FORM)

Description of Premises or Location(s) As Per the Location Address Schedule(s) attached to the policy.Earthquake Coverage does not extend to newly acquired locations."Including Masonry Veneer" Option ☒ Yes ☐ NoProperty Damage Deductible \$50,000.00Earthquake - Sprinkler Leakage Only ☐

Earthquake - Volcanic Eruption Limit(s) of Insurance The Limit(s) of Insurance shown in Section A. and/or B. of this Schedule is an annual aggregate limit(s). Refer to the Limit Of Insurance provisions in the Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form) for an explanation.

A. Blanket Limit \$ 1,000,000

(The Blanket Limit applies to all Premises and Locations listed on this page of the Schedule. If a separate Blanket Limit(s) applies at other Premises or Locations, then a separate page(s) of this Schedule will be used to enter the Blanket Limit(s) for such Premises or Locations.)

Check applicable Covered Property/Coverage(s) for Blanket Limit:

☒ Bldg. ☐ BI (CP 00 32)
☐ BPP ☐ EE (CP 00 50)
☒ BI (CP 00 30) ☐ Other _____

The Blanket Limit does not apply separately to the Premises, Locations, Covered Property or Coverages listed. The Blanket Limit is the most we will pay for all loss or damage to the indicated Covered Property/Coverages at the Premises and Locations listed, subject to all other applicable provisions of the Limit of Insurance section in the Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form).

- B. Separate Limits (If a separate Limit of Insurance is entered in this section of the Schedule, B., for a particular Covered Property/Coverage, that Covered Property/Coverage should NOT be included under a Blanket Limit.)

Premises #1		Premises #2		Premises #3	
Bldg.	\$ _____	Bldg.	\$ _____	Bldg.	\$ _____
BPP	\$ _____	BPP	\$ _____	BPP	\$ _____
BI (CP 00 30)	\$ _____	BI (00 30)	\$ _____	BI (CP 00 30)	\$ _____
BI (CP 00 32)	\$ _____	BI (CP 00 32)	\$ _____	BI (CP 00 32)	\$ _____
EE (CP 00 50)	\$ _____	EE (CP 00 50)	\$ _____	EE (CP 00 50)	\$ _____
Other	\$ _____	Other	\$ _____	Other	\$ _____

Increased Annual Aggregate Limit Option: ☐ Yes ☒ No

Bldg. = Building; BPP = Business Personal Property; BI = Business Income Coverage Form; EE = Extra Expense Coverage Form

POLICY NUMBER: 009 9836120 00

COMMERCIAL PROPERTY
CP DS 65 10 00

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLOOD COVERAGE SCHEDULE

This endorsement provides supplementary information to be used with the following:

FLOOD COVERAGE ENDORSEMENT

Inception Date Of Flood Coverage Endorsement 8/15/2012 **Note:** There is no coverage for a Flood that begins before or within 72 hours after this date. Refer to Section D.5.a. of the Endorsement for additional information.

Description of Premises or Location(s) As per the Location Address Schedule(s) attached to the policy.

*\$50,000.00 Deductible Applies to Locations 1, 3, 4, 7 & 8 / \$100,000.00 Deductible Applies to Location #9 / \$250,000.00 Deductible Applies to Location #2. Earthquake Coverage does not extend to newly acquired locations.

Description Of Personal Property In The Open, if Covered For Flood

Flood Deductible See Above*

No-Coinsurance Option ☒

Other Flood Insurance, If Any (identify insurer and policy number):

Primary (NFIP) _____

Other _____

Underlying Insurance Waiver ☒ **Note:** Refer to Section I.1. of the Endorsement for an explanation of this option.

Annual Aggregate Limit - Flood Coverage Endorsement \$ 1,000,000 **Note:** Refer to the Limit of Insurance provisions in the Endorsement for an explanation.

Flood Limit of Insurance - Single Occurrence: Enter the Limit(s) in Section A and/or B of this Schedule. Refer to the Limit of Insurance provisions in the Endorsement for an explanation.

FLOOD COVERAGE SCHEDULE**A. Blanket Limit \$ 1,000,000**

Check applicable Covered Property/Coverage(s) for Blanket Limit:

☒ Bldg. ☐ BI (CP 00 32)
☐ BPP ☐ EE (CP 00 50)
☒ BI (CP 00 30) ☐ Other _____

The Blanket Limit does not apply separately to the Premises, Locations, Covered Property or Coverages listed. The Blanket Limit is the most we will pay for all loss or damage to the indicated Covered Property/Coverages at the Premises and Locations listed, subject to all other applicable provisions of the Limit of Insurance section in the Flood Coverage Endorsement.

B. Separate Limits (If a separate Limit of Insurance is entered in this section of the Schedule, B., for a particular Covered Property/Coverage, that Covered Property/Coverage should NOT be included under a Blanket Limit.)

Premises #1		Premises #2		Premises #3	
Bldg.	\$ _____	Bldg.	\$ _____	Bldg.	\$ _____
BPP	\$ _____	BPP	\$ _____	BPP	\$ _____
BI (CP 00 30)	\$ _____	BI (CP 00 30)	\$ _____	BI (CP 00 30)	\$ _____
BI (CP 00 32)	\$ _____	BI (CP 00 32)	\$ _____	BI (CP 00 32)	\$ _____
EE (CP 00 50)	\$ _____	EE (CP 00 50)	\$ _____	EE (CP 00 50)	\$ _____
Other	\$ _____	Other	\$ _____	Other	\$ _____

Bldg. = Building; BPP = Business Personal Property; BI = Business Income Coverage Form; EE = Extra Expense Coverage Form

IL 01 83 08 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – FRAUD

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM

The **CONCEALMENT, MISREPRESENTATION OR FRAUD** Condition is replaced by the following:

FRAUD

We do not provide coverage for any insured ("insured") who has made fraudulent statements or engaged in fraudulent conduct in connection with any loss ("loss") or damage for which coverage is sought under this policy.

However, with respect to insurance provided under the **COMMERCIAL AUTOMOBILE COVERAGE PART**, we will provide coverage to such "insured" for damages sustained by any person who has not made fraudulent statements or engaged in fraudulent conduct if such damages are otherwise covered under the policy.

IL 02 68 01 11

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW YORK CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A. Paragraphs 1., 2., 3. and 5. of the Cancellation Common Policy Condition are replaced by the following:
1. The first Named Insured shown in the Declarations may cancel this entire policy by mailing or delivering to us advance written notice of cancellation.
 2. Cancellation Of Policies In Effect
 - a. 60 Days Or Less

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

 - (1) 30 days before the effective date of cancellation if we cancel for any reason not included in Paragraph A.2.a.(2) below.
 - (2) 15 days before the effective date of cancellation if we cancel for any of the following reasons:
 - (a) Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;
 - (b) Conviction of a crime arising out of acts increasing the hazard insured against;
 - (c) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim;
 - (d) After issuance of the policy or after the last renewal date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against, and that occurred subsequent to inception of the current policy period;
 - (e) Material physical change in the property insured, occurring after issuance or last annual renewal anniversary date of the policy, that results in the property becoming uninsurable in accordance with our objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, that causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
 - (f) Required pursuant to a determination by the Superintendent that continuation of our present premium volume would jeopardize our solvency or be hazardous to the interest of our policyholders, our creditors or the public;

(g) A determination by the Superintendent that the continuation of the policy would violate, or would place us in violation of, any provision of the Insurance Code; or

(h) Where we have reason to believe, in good faith and with sufficient cause, that there is a probable risk of danger that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. If we cancel for this reason, you may make a written request to the Insurance Department, within 10 days of receipt of this notice, to review our cancellation decision. Also, we will simultaneously send a copy of this cancellation notice to the Insurance Department.

b. For More Than 60 Days

If this policy has been in effect for more than 60 days, or if this policy is a renewal or continuation of a policy we issued, we may cancel only for any of the reasons listed in Paragraph A.2.a.(2) above, provided:

(1) We mail the first Named Insured written notice at least 15 days before the effective date of cancellation; and

(2) If we cancel for nonpayment of premium, our notice of cancellation informs the first Named Insured of the amount due.

3. We will mail or deliver our notice, including the reason for cancellation, to the first Named Insured at the address shown in the policy and to the authorized agent or broker.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata.

However, when the premium is advanced under a premium finance agreement, the cancellation refund will be pro rata. Under such financed policies, we will be entitled to retain a minimum earned premium of 10% of the total policy premium or \$60, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. The following is added to the Cancellation Common Policy Condition:

7. If one of the reasons for cancellation in Paragraph A.2.a.(2) or D.2.b.(2) exists, we may cancel this entire policy, even if the reason for cancellation pertains only to a new coverage or endorsement initially effective subsequent to the original issuance of this policy.

C. The following conditions are added:

1. Nonrenewal

If we decide not to renew this policy we will send notice as provided in Paragraph C.3. below.

2. Conditional Renewal

If we conditionally renew this policy subject to:

- a. A change of limits;
- b. A change in type of coverage;
- c. A reduction of coverage;
- d. An increased deductible;
- e. An addition of exclusion; or
- f. Increased premiums in excess of 10%, exclusive of any premium increase due to and commensurate with insured value added or increased exposure units; or as a result of experience rating, loss rating, retrospective rating or audit;

we will send notice as provided in Paragraph C.3. below.

3. Notices Of Nonrenewal And Conditional Renewal

a. If we decide not to renew this policy or to conditionally renew this policy as provided in Paragraphs C.1. and C.2. above, we will mail or deliver written notice to the first Named Insured shown in the Declarations at least 60 but not more than 120 days before:

- (1) The expiration date; or
- (2) The anniversary date if this is a continuous policy.

b. Notice will be mailed or delivered to the first Named Insured at the address shown in the policy and to the authorized agent or broker. If notice is mailed, proof of mailing will be sufficient proof of notice.

- c. Notice will include the specific reason(s) for nonrenewal or conditional renewal, including the amount of any premium increase for conditional renewal and description of any other changes.
 - d. If we violate any of the provisions of Paragraph C.3.a., b. or c. above by sending the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice:
 - (1) And if notice is provided prior to the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy at the lower of the current rates or the prior period's rates until 60 days after such notice is mailed or delivered, unless the first Named Insured, during this 60-day period, has replaced the coverage or elects to cancel;
 - (2) And if the notice is provided on or after the expiration date of this policy, coverage will remain in effect at the same terms and conditions of this policy for another policy period, at the lower of the current rates or the prior period's rates, unless the first Named Insured, during this additional policy period, has replaced the coverage or elects to cancel.
 - e. If you elect to renew on the basis of a late conditional renewal notice, the terms, conditions and rates set forth in such notice shall apply:
 - (1) Upon expiration of the 60-day period, unless Subparagraph (2) below applies; or
 - (2) Notwithstanding the provisions in Paragraphs d.(1) and d.(2), as of the renewal date of the policy if the conditional renewal notice was sent at least 30 days prior to the expiration or anniversary date of the policy.
 - f. We will not send you notice of nonrenewal or conditional renewal if you, your authorized agent or broker or another insurer of yours mails or delivers notice that the policy has been replaced or is no longer desired.
- D. The following provisions apply when the Commercial Property Coverage Part, the Farm Coverage Part or the Capital Assets Program (Output Policy) Coverage Part is made a part of this policy:
 - 1. Items D.2. and D.3. apply if this policy meets the following conditions:
 - a. The policy is issued or issued for delivery in New York State covering property located in this state; and
 - b. The policy insures:
 - (1) For loss of or damage to structures, other than hotels or motels, used predominantly for residential purposes and consisting of no more than four dwelling units; or
 - (2) For loss of or damage to personal property other than farm personal property or business property; or
 - (3) Against damages arising from liability for loss of, damage to or injury to persons or property, except liability arising from business or farming; and
 - c. The portion of the annual premium attributable to the property and contingencies described in 1.b. exceeds the portion applicable to other property and contingencies.
 - 2. Paragraph 2. of the Cancellation Common Policy Condition is replaced by the following:
 - 2. Procedure And Reasons For Cancellation
 - a. We may cancel this entire policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - (1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
 - b. But if this policy:
 - (1) Has been in effect for more than 60 days; or

- (2) Is a renewal of a policy we issued;

we may cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium, provided however, that a notice of cancellation on this ground shall inform the first Named Insured of the amount due;
- (2) Conviction of a crime arising out of acts increasing the risk of loss;
- (3) Discovery of fraud or material misrepresentation in obtaining the policy or in making a claim;
- (4) Discovery of willful or reckless acts or omissions increasing the risk of loss;
- (5) Physical changes in the covered property that make that property uninsurable in accordance with our objective and uniformly applied underwriting standards in effect when we:
 - (a) Issued the policy; or
 - (b) Last voluntarily renewed the policy;
- (6) The Superintendent of Insurance's determination that continuing the policy would violate Chapter 28 of the Insurance Law; or
- (7) Required pursuant to a determination by the Superintendent of Insurance that the continuation of our present premium volume would be hazardous to the interests of our policyholders, our creditors or the public.

3. The following are added:

a. **Conditional Continuation**

Instead of cancelling this policy, we may continue it on the condition that:

- (1) The policy limits be changed; or
- (2) Any coverage not required by law be eliminated.

If this policy is conditionally continued, we will mail or deliver to the first Named Insured written notice at least 20 days before the effective date of the change or elimination. We will mail or

deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

b. **Nonrenewal**

If, as allowed by the laws of New York State, we:

- (1) Do not renew this policy; or
- (2) Condition policy renewal upon:
 - (a) Change of limits; or
 - (b) Elimination of coverage;

we will mail or deliver written notice of nonrenewal or conditional renewal:

- (a) At least 45 days; but
- (b) Not more than 60 days;

before the expiration date of the policy. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

E. The following is added to the Farm Property – Other Farm Provisions Form – Additional Coverages, Conditions, Definitions, the Commercial Property Coverage Part and the Capital Assets Program (Output Policy) Coverage Part:

When the property is subject to the Anti-arson Application in accordance with New York Insurance Department Regulation No. 96, the following provisions are added:

If you fail to return the completed, signed and affirmed anti-arson application to us:

1. Or our broker or agent within 45 days of the effective date of a new policy, we will cancel the entire policy by giving 20 days' written notice to you and to the mortgageholder shown in the Declarations.
2. Before the expiration date of any policy, we will cancel the policy by giving written notice to you and to the mortgageholder shown in the Declarations at least 15 days before the effective date of cancellation.

The cancellation provisions set forth in E.1. and E.2. above supersede any contrary provisions in this policy including this endorsement.

If the notice in E.1. or E.2. above is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

F. The following applies to the Commercial Property Coverage Part, the Farm Coverage Part and the Capital Assets Program (Output Policy) Coverage Part:

Paragraphs f. and g. of the Mortgageholders Condition are replaced by the following:

f. Cancellation

(1) If we cancel this policy, we will give written notice to the mortgageholder at least:

- (a) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (b) 30 days before the effective date of cancellation if we cancel for any other reason.

(2) If you cancel this policy, we will give written notice to the mortgageholder. With respect to the mortgageholder's interest only, cancellation will become effective on the later of:

- (a) The effective date of cancellation of the insured's coverage; or
- (b) 10 days after we give notice to the mortgageholder.

g. Nonrenewal

(1) If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

(2) If you elect not to renew this policy, we will give written notice to the mortgageholder. With respect to the mortgageholder's interest only, nonrenewal will become effective on the later of:

- (a) The expiration date of the policy; or
- (b) 10 days after we give notice to the mortgageholder.

G. The following provisions apply when the following are made a part of this policy:

Commercial General Liability Coverage Part
Employment-Related Practices Liability Coverage Part
Farm Liability Coverage Form
Liquor Liability Coverage Part
Products/Completed Operations Liability Coverage Part

- 1. The aggregate limits of this policy as shown in the Declarations will be increased in proportion to any policy extension provided in accordance with Paragraph C.3.d. above.
- 2. The last sentence of Limits Of Insurance does not apply when the policy period is extended because we sent the first Named Insured an incomplete or late conditional renewal notice or a late nonrenewal notice.

POLICY NUMBER: 009 9836120 00

INTERLINE
IL 04 15 04 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART**SCHEDULE***

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
00001	00001	P-1; P-2; P-9
Describe any "P-9": ~Smoke Detectors: The described premises is protected by maintained battery operated smoke detectors-hardwired if required by Local, County or State code.		
* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.		

A. The following is added to the:

Commercial Property Conditions
General Conditions in the Farm Property – Other
Farm Provisions Form – Additional Coverages,
Conditions, Definitions
General Conditions in the Mobile Agricultural
Machinery and Equipment Coverage Form
General Conditions in the Livestock Coverage
Form

PROTECTIVE SAFEGUARDS

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
 - Sprinklers and discharge nozzles;
 - Ducts, pipes, valves and fittings;
 - Tanks, their component parts and supports; and
 - Pumps and private fire protection mains.
- When supplied from an automatic fire protective system:

(1) Non-automatic fire protective systems; and**(2) Hydrants, standpipes and outlets.****"P-2" Automatic Fire Alarm**, protecting the entire building, that is:

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.**"P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.**"P-9" The protective system described in the Schedule.****B. The following is added to the EXCLUSIONS section of:**

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
MORTGAGE HOLDERS ERRORS AND
OMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY
CAUSES OF LOSS FORM – FARM PROPERTY
MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

POLICY NUMBER: 009 9836120 00

INTERLINE
IL 04 15 04 98**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****PROTECTIVE SAFEGUARDS**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART**SCHEDULE***

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
00002	00001	P-1; P-2; P-9
Describe any "P-9": ~Smoke Detectors: The described premises is protected by maintained battery operated smoke detectors-hardwired if required by Local, County or State code.		
* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.		

A. The following is added to the:

Commercial Property Conditions
General Conditions in the Farm Property – Other
Farm Provisions Form – Additional Coverages,
Conditions, Definitions
General Conditions in the Mobile Agricultural
Machinery and Equipment Coverage Form
General Conditions in the Livestock Coverage
Form

PROTECTIVE SAFEGUARDS

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
 - Sprinklers and discharge nozzles;
 - Ducts, pipes, valves and fittings;
 - Tanks, their component parts and supports; and
 - Pumps and private fire protection mains.
- When supplied from an automatic fire protective system:

(1) Non-automatic fire protective systems; and

(2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" Service Contract with a privately owned fire department providing fire protection service to the described premises.

"P-9" The protective system described in the Schedule.

B. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
MORTGAGE HOLDERS ERRORS AND
OMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY
CAUSES OF LOSS FORM – FARM PROPERTY
MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

POLICY NUMBER: 009 9836120 00

INTERLINE
IL 04 15 04 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART**SCHEDULE***

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
00003	00001	P-1; P-2; P-9
Describe any "P-9": ~Smoke Detectors: The described premises is protected by maintained battery operated smoke detectors-hardwired if required by Local, County or State code.		
* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.		

A. The following is added to the:

Commercial Property Conditions
General Conditions in the Farm Property – Other
Farm Provisions Form – Additional Coverages,
Conditions, Definitions
General Conditions in the Mobile Agricultural
Machinery and Equipment Coverage Form
General Conditions in the Livestock Coverage
Form

PROTECTIVE SAFEGUARDS

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
 - Sprinklers and discharge nozzles;
 - Ducts, pipes, valves and fittings;
 - Tanks, their component parts and supports; and
 - Pumps and private fire protection mains.
- When supplied from an automatic fire protective system:

(1) Non-automatic fire protective systems; and

(2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" Service Contract with a privately owned fire department providing fire protection service to the described premises.

"P-9" The protective system described in the Schedule.

B. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
MORTGAGE HOLDERS ERRORS AND
OMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY
CAUSES OF LOSS FORM – FARM PROPERTY
MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

POLICY NUMBER: 009 9836120 00

INTERLINE
IL 04 15 04 98**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****PROTECTIVE SAFEGUARDS**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART**SCHEDULE***

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
00004	00001	P-1; P-2; P-9
Describe any "P-9": ~Smoke Detectors: The described premises is protected by maintained battery operated smoke detectors-hardwired if required by Local, County or State code.		
* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.		

A. The following is added to the:

Commercial Property Conditions
General Conditions in the Farm Property – Other
Farm Provisions Form – Additional Coverages,
Conditions, Definitions
General Conditions in the Mobile Agricultural
Machinery and Equipment Coverage Form
General Conditions in the Livestock Coverage
Form

PROTECTIVE SAFEGUARDS

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
 - Sprinklers and discharge nozzles;
 - Ducts, pipes, valves and fittings;
 - Tanks, their component parts and supports; and
 - Pumps and private fire protection mains.
- When supplied from an automatic fire protective system:

(1) Non-automatic fire protective systems; and

(2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" Service Contract with a privately owned fire department providing fire protection service to the described premises.

"P-9" The protective system described in the Schedule.

B. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
MORTGAGE HOLDERS ERRORS AND
OMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY
CAUSES OF LOSS FORM – FARM PROPERTY
MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM

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We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

POLICY NUMBER: 009 9836120 00

INTERLINE
IL 04 15 04 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART**SCHEDULE***

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
00007	00001	P-1; P-2; P-9
Describe any "P-9": ~Smoke Detectors: The described premises is protected by maintained battery operated smoke detectors-hardwired if required by Local, County or State code.		
* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.		

A. The following is added to the:

Commercial Property Conditions
General Conditions in the Farm Property – Other
Farm Provisions Form – Additional Coverages,
Conditions, Definitions
General Conditions in the Mobile Agricultural
Machinery and Equipment Coverage Form
General Conditions in the Livestock Coverage
Form

PROTECTIVE SAFEGUARDS

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
 - Sprinklers and discharge nozzles;
 - Ducts, pipes, valves and fittings;
 - Tanks, their component parts and supports; and
 - Pumps and private fire protection mains.
- When supplied from an automatic fire protective system:

(1) Non-automatic fire protective systems; and

(2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" Service Contract with a privately owned fire department providing fire protection service to the described premises.

"P-9" The protective system described in the Schedule.

B. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
MORTGAGE HOLDERS ERRORS AND
OMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY
CAUSES OF LOSS FORM – FARM PROPERTY
MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

POLICY NUMBER: 009 9836120 00

INTERLINE
IL 04 15 04 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART**SCHEDULE***

Prem. No.	Bldg. No.	Protective Safeguards Symbols Applicable
00008	00001	P-1; P-2; P-9
Describe any "P-9": ~Smoke Detectors: The described premises is protected by maintained battery operated smoke detectors-hardwired if required by Local, County or State code.		
* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.		

A. The following is added to the:

Commercial Property Conditions
General Conditions in the Farm Property – Other
Farm Provisions Form – Additional Coverages,
Conditions, Definitions
General Conditions in the Mobile Agricultural
Machinery and Equipment Coverage Form
General Conditions in the Livestock Coverage
Form

PROTECTIVE SAFEGUARDS

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
 - Sprinklers and discharge nozzles;
 - Ducts, pipes, valves and fittings;
 - Tanks, their component parts and supports; and
 - Pumps and private fire protection mains.
- When supplied from an automatic fire protective system:

(1) Non-automatic fire protective systems; and**(2) Hydrants, standpipes and outlets.****"P-2" Automatic Fire Alarm**, protecting the entire building, that is:

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.**"P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.**"P-9" The protective system described in the Schedule.****B. The following is added to the EXCLUSIONS section of:**

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
MORTGAGE HOLDERS ERRORS AND
OMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY
CAUSES OF LOSS FORM – FARM PROPERTY
MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM

Hart Forms & Services
Reorder No. 14-M068

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

POLICY NUMBER: 009 9836120 00

INTERLINE
IL 04 15 04 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART**SCHEDULE***

Prem. No. 00009	Bldg. No. 00001	Protective Safeguards Symbols Applicable P-1; P-2; P-9
Describe any "P-9": ~Smoke Detectors: The described premises is protected by maintained battery operated smoke detectors-hardwired if required by Local, County or State code.		
* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.		

A. The following is added to the:

Commercial Property Conditions
General Conditions in the Farm Property – Other
Farm Provisions Form – Additional Coverages,
Conditions, Definitions
General Conditions in the Mobile Agricultural
Machinery and Equipment Coverage Form
General Conditions in the Livestock Coverage
Form

PROTECTIVE SAFEGUARDS

- As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
- The protective safeguards to which this endorsement applies are identified by the following symbols:

"P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- Any automatic fire protective or extinguishing system, including connected:
 - Sprinklers and discharge nozzles;
 - Ducts, pipes, valves and fittings;
 - Tanks, their component parts and supports; and
 - Pumps and private fire protection mains.
- When supplied from an automatic fire protective system:

(1) Non-automatic fire protective systems; and

(2) Hydrants, standpipes and outlets.

"P-2" Automatic Fire Alarm, protecting the entire building, that is:

- Connected to a central station; or
- Reporting to a public or private fire alarm station.

"P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

"P-4" Service Contract with a privately owned fire department providing fire protection service to the described premises.

"P-9" The protective system described in the Schedule.

B. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS – BASIC FORM
CAUSES OF LOSS – BROAD FORM
CAUSES OF LOSS – SPECIAL FORM
MORTGAGE HOLDERS ERRORS AND
OMISSIONS COVERAGE FORM
STANDARD PROPERTY POLICY
CAUSES OF LOSS FORM – FARM PROPERTY
MOBILE AGRICULTURAL MACHINERY AND
EQUIPMENT COVERAGE FORM
LIVESTOCK COVERAGE FORM

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

IL 09 35 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1)** Computer hardware, including micro-processors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss - Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss - Basic Form or the Causes Of Loss - Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

IL 09 52 03 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application Of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

POLICY NUMBER: 009 9836120 00

COMMERCIAL GENERAL LIABILITY
Form 10-02-1800 (Rev. 6-09)**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES**COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY****1. Insuring Agreement**

- a. We will pay damages that the insured becomes legally obligated to pay for "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages for the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- d. Damages for "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" arising out of an act that:

- (1) Is expected or intended from the standpoint of the insured; or
- (2) Would be expected or intended from the standpoint of a reasonable person in the circumstances of the insured;

to cause "bodily injury" or "property damage", even if the actual "bodily injury" or "property damage" is of a different degree or type than intended or expected.

This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of "waste";

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as "waste" by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat,

smoke or fumes from a "hostile fire".

- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages for "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;

- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
 - (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III — Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

j. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

k. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

l. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

m. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

n. Personal And Advertising Injury

"Bodily injury" arising out of "advertising injury" or "personal injury".

o. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

Exclusions c. through m. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**1. Insuring Agreement**

- a. We will pay damages that the insured becomes legally obligated to pay for "advertising injury" or "personal injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "advertising injury" or "personal injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is

limited as described in Section III – Limits Of Insurance; and

- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "advertising injury" or "personal injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Advertising injury" or "personal injury" arising out of an offense committed by or on behalf of the insured, that:

- (1) Is intended by such insured; or
- (2) Would be expected from the standpoint of a reasonable person in the circumstances of such insured;

to cause injury.

b. Publications With Knowledge Of Falsity

"Advertising injury" or "personal injury" arising out of any electronic, oral, written or other publication of content or material by or with the consent of the insured:

- (1) With knowledge of its falsity; or
- (2) If a reasonable person in the circumstances of such insured would have known such content or material to be false.

c. Prior Offenses

"Advertising injury" or "personal injury" arising out of any offense first committed before the beginning of the policy period.

d. Crime Or Fraud

"Advertising injury" or "personal injury" arising out of any criminal or fraudulent conduct committed by or with the consent or knowledge of the insured.

e. Contracts

"Advertising injury" or "personal injury" for which the insured is obligated to pay damages by reason of assumption of liability in a contract or agreement. This exclusion does not apply to the liability for damages:

- (1) That such insured would have in the ab-

sence of such contract or agreement; or

- (2) Assumed in a written contract or agreement that is an "insured contract", provided the "advertising injury" or "personal injury" to which this insurance applies is caused by an offense first committed after the execution of such contract or agreement.

f. Breach Of Contract

"Advertising injury" or "personal injury" arising out of breach of contract.

g. Failure To Conform To Representations Or Warranties

"Advertising injury" or "personal injury" arising out of the failure of goods, products or services to conform with any electronic, oral, written or other representation or warranty of durability, fitness, performance, quality or use.

h. Wrong Description Of Prices

"Advertising injury" or "personal injury" arising out of the wrong description of the price of goods, products or services.

i. Media Type Businesses

"Advertising injury" or "personal injury" arising out of an offense committed by or on behalf of an insured whose business is advertising, broadcasting, cablecasting, publishing, telecasting or telemarketing.

This exclusion does not apply to "personal injury" caused by an offense described in Paragraphs 21. a., b. and c. of the definition of "personal injury" under the Definitions Section.

j. Internet Activities

"Advertising injury" or "personal injury" arising out of:

- (1) Controlling, creating, designing or developing of another's Internet site;
- (2) Controlling, creating, designing, developing, determining or providing the content or material of another's Internet site;
- (3) Controlling, facilitating or providing, or failing to control, facilitate or provide, access to the Internet or another's Internet site; or
- (4) Publication of content or material on or from the Internet, other than material developed by you to or at your direction.

k. Continuing Offenses

"Advertising injury" or "personal injury" that arises out of that part of an offense that continues or resumes after the later of the end of the policy period of:

- (1) This insurance; or
- (2) A subsequent, continuous renewal or replacement of this insurance, that:
 - (a) Is issued to you by us or by an affiliate of ours;
 - (b) Remains in force while the offense continues; and
 - (c) Would otherwise apply to "advertising injury" and "personal injury".

l. Pollution

"Advertising injury" or "personal injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

m. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

COVERAGE C MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to ex-

amination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

COVERAGE FORM EXCLUSIONS

The following exclusions apply to all Coverages in this Coverage Form and all endorsements attached to it.

1. Asbestos, Silica or Similar Compounds, Including Mixed Dust

- a. This insurance does not apply to any damages, loss, cost or expense arising out of the actual, alleged or threatened contaminative, pathogenic, toxic or other hazardous

properties of:

- (1) "Asbestos";
- (2) "Silica"; or
- (3) "Mixed dust".

- b. This insurance does not apply to any damages, loss, cost or expense arising, in whole or in part, out of any:

- (1) Demand, order, request or regulatory or statutory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess; or

- (2) Claim or proceeding by or on behalf of a governmental authority or others for any damages, loss, cost or expense because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing;

the effects of "asbestos", "silica" or "mixed dust".

2. Employment-Related Practices

This insurance does not apply to any damages, loss, cost or expense sustained at any time by:

- a. Any person, whether or not sustained in the course of employment by any insured, arising out of any employment-related act, omission, policy, practice or representation directed at such person, occurring in whole or in part at any time, including any:

- (1) Arrest, detention or imprisonment;
- (2) Breach of any express or implied covenant;
- (3) Coercion, criticism, humiliation, prosecution or retaliation;
- (4) Defamation or disparagement;
- (5) Demotion, discipline, evaluation or reassignment;
- (6) Discrimination, harassment or segregation;
- (7) (a) Eviction; or
(b) Invasion or other violation of any right of occupancy;
- (8) Failure or refusal to advance, compensate, employ or promote;
- (9) Invasion or other violation of any right of privacy or publicity;
- (10) Termination of employment; or
- (11) Other employment-related act, omission, policy, practice, representation or relationship in connection with any insured at any time.

- b. The brother, child, parent, sister or spouse of such person at whom any employment-related act, omission, policy, practice or representation is directed, as described in paragraph a. above, as a consequence thereof.

This exclusion applies:

- i. Whether the insured may be liable as an employer or in any other capacity; and
- ii. To any obligation to share damages with or repay someone else who must pay damages because of any of the foregoing.

3. Enhancement, Maintenance or Prevention Expenses

This insurance does not apply to any loss, cost or expense incurred by you or others for any:

- a. Enhancement or maintenance of any property; or
- b. Prevention of any injury or damage to any:
 - (1) Person or organization; or
 - (2) Property you own, rent or occupy.

4. Fungi or Bacteria

This insurance does not apply to:

- a. "Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of the actual, alleged or threatened contaminative, pathogenic, toxic or other hazardous properties of "fungi" or bacteria.
- b. Any damages, loss, cost or expense arising out of any:
 - (1) Demand, order, request or regulatory or statutory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess; or
 - (2) Claim or proceeding by or on behalf of a governmental authority or others for any damages, loss, cost or expense because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing;

the effects of "fungi" or bacteria.

5. Information Distribution Laws

This insurance does not apply to any damages, loss, cost or expense arising out of any actual or alleged violation of:

- a. The United States of America CAN-SPAM Act of 2003 or any law amendatory thereof;
- b. The United States of America Telephone

Consumer Protection Act (TCPA) of 1991 or any law amendatory thereof; or

- c. Any other ordinance, regulation or statute relating to communicating, distribution, publication, sending or transmitting of content, information or material.

6. Intellectual Property Laws and Rights

This insurance does not apply to any damages, loss, cost or expense arising out of, giving rise to or in any way related to any actual or alleged:

- a. Assertion; or
- b. Infringement or violation;

by any person or organization (including any insured) of any "intellectual property law or right", regardless of whether this insurance would otherwise apply to all or part of any such actual or alleged injury or damage in the absence of any such actual or alleged assertion, infringement or violation.

This exclusion applies, unless such injury:

- (1) Is caused by an offense described in the definition of "advertising injury"; and
- (2) Does not arise out of, give rise to, or in any way relate to any actual or alleged assertion, infringement or violation of any "intellectual property law or right", other than one described in the definition of "advertising injury".

7. Lead

- a. This insurance does not apply to any damages, loss, cost or expense arising out of the actual, alleged or threatened contaminative, pathogenic, toxic or other hazardous properties of "lead".
- b. This insurance does not apply to any damages, loss, cost or expense arising, in whole or in part, out of any:
 - (1) Demand, order, request or regulatory or statutory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess; or
 - (2) Claim or proceeding by or on behalf of a governmental authority or others for any damages, loss, cost or expense because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing;

the effects of "lead".

8. War

This insurance does not apply to any damages, loss, cost or expense, however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

SUPPLEMENTARY PAYMENTS — COVERAGES A AND B

We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

1. All expenses we incur.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
5. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
6. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

SECTION II — WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury", "advertising injury" or "personal injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or

"volunteer worker" as a consequence of Paragraph (1)(a) above;

- (c) For which there is any obligation to share damages with or repay someone else who must pay damages for the injury described in Paragraphs (1)(a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
- (2) "Property damage" to property:
- (a) Owned, occupied or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by
you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
 - b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However, coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
- No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.
- No person or organization is an insured with respect to the:
- a. Ownership, maintenance or use of any as-

sets; or

- b. Conduct of any person or organization whose assets, business or organization; you acquire, either directly or indirectly, for any:
 - a. "Bodily injury" or "property damage" that occurred; or
 - b. "Advertising injury" or "personal injury" arising out of an offense first committed; in whole or in part, before you, directly or indirectly, acquired such assets, business or organization.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C; and
 - b. Damages under Coverage A, except damages for "bodily injury" or "property damage" included in the "products-completed operations hazard".
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages for "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. The Personal and Advertising Injury Aggregate Limit is the most we will pay for the sum of damages under Coverage B.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C
 for all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages for "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable

to the insured for injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to

premises rented to you or temporarily occupied by you with permission of the owner; or

(iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

(2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and

rates.

b. We may audit your books and records as they relate to this insurance at any time during the term of this policy and up to three years afterwards.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Or Waiver Of Rights Of Recovery Against Others To Us

We will waive the right of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the insured has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

To the extent that the insured's rights to recover all or part of any payment made under this Coverage Part have not been waived, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

This condition does not apply to Coverage C.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means an electronic, oral,

written or other notice, about goods, products or services, designed for the specific purpose of attracting the general public or a specific market segment to use such goods, products or services.

"Advertisement" does not include any e-mail address, Internet domain name or other electronic address or metalanguage.

2. "Advertising injury" means injury, other than "bodily injury", "property damage" or "personal injury", sustained by a person or organization and caused by an offense of infringing, in that particular part of your "advertisement" about your goods, products or services, upon their:
 - a. Copyrighted "advertisement"; or
 - b. Registered collective mark, registered service mark or other registered trademarked name, slogan, symbol or title.
3. "Asbestos" means asbestos in any form, including its presence or use in any alloy, by-product, compound or other material or "waste".
4. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".
5. "Bodily injury" means physical:
 - a. Injury;
 - b. Sickness; or
 - c. Disease;

sustained by a person, including resulting death, humiliation, mental anguish, mental injury or shock at any time. All such loss shall be deemed to occur at the time of the physical injury, sickness or disease that caused it.
6. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a.

above;

- (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
- (3) "Advertising injury" or "personal injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

7. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
8. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
9. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.
10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
12. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

13. "Intellectual property law or right" means any:

- a. Certification mark, copyright, patent or trademark (including collective or service marks);
- b. Right to, or judicial or statutory law recognizing an interest in, any trade secret or confidential or proprietary non-personal information;
- c. Other right to, or judicial or statutory law recognizing an interest in, any expression, idea, likeness, name, slogan, style of doing business, symbol, title, trade dress or other intellectual property; or
- d. Other judicial or statutory law concerning piracy, unfair competition or other similar

practices.

- 14. "Lead" means the element lead in any form, including its presence or use in any alloy, by-product, compound or other material or "waste".
- 15. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- 16. "Loading or unloading" means the handling of property:
 - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
 but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
- 17. "Mixed dust" means any combination or mixture of "asbestos" or "silica" and any other dust, fibers or particles, in any form, including any presence or use in any alloy, by-product, compound or other material or "waste".
- 18. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
 - a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and genera-

- tors, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- 19. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 20. "Personal and advertising injury" means:
 - a. "Advertising injury"; or
 - b. "Personal injury".
- 21. "Personal injury" means injury, other than "bodily injury", "property damage" or "advertising injury", caused by an offense of:
 - a. False arrest, false detention or other false imprisonment;
 - b. Malicious prosecution;
 - c. Wrongful entry into, wrongful eviction of a person from or other violation of a person's right of private occupancy of a dwelling, premises or room that such person occupies, if committed by or on behalf of its landlord, lessor or owner; or
 - d. Electronic, oral, written or other publication of material that:

- (1) Libels or slanders a person or organization (which does not include disparagement of goods, products, property or services); or
- (2) Violates a person's right of privacy.

22. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and "waste".

23. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or

- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

- (a) When all of the work called for in your contract has been completed.

- (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

24. "Property damage" means:

- a. Physical injury to tangible property, includ-

ing all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- 25. "Silica" means silica in any form (including silicates or other similar silicon compounds), including its presence or use in any alloy, by-product, compound or other material or "waste".
- 26. "Suit" means a civil proceeding in which damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 27. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 28. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 29. "Waste" includes material to be recycled, reconditioned or reclaimed.
- 30. "Your product":
 - a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

- (a) You;
- (b) Others trading under your name; or
- (c) A person or organization whose business or assets you have acquired; and

- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

- b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

31. "Your work":

- a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

- b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
- (2) The providing of or failure to provide warnings or instructions.

POLICY NUMBER: 009 9836120 00

COMMERCIAL GENERAL LIABILITY
Form 10-02-1802 (Ed. 5-07)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE BENEFITS LIABILITY COVERAGETHIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Coverage	Limit Of Insurance		Each Employee Deductible	Premium
Employee Benefits Programs	\$ 1,000,000	each employee	\$ 1,000	\$ 86.00
	\$ 1,000,000	aggregate		
Retroactive Date: 11/15/2009				
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.				

A. The following is added to Section I – Coverages:**COVERAGE – EMPLOYEE BENEFITS LIABILITY****1. Insuring Agreement**

- a. We will pay damages that the insured becomes legally obligated to pay for any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph D. (Section III – Limits Of Insurance); and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

b. This insurance applies to damages only if:

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
- (2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
- (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide under Paragraph F. of this endorsement.

c. A "claim" seeking damages will be deemed to have been made at the earlier of the following times:

- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or

- (2) When we make settlement in accordance with Paragraph a. above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

2. Exclusions

This insurance does not apply to:

a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. Workers' Compensation And Similar

Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

h. Benefits Due

Payments which are required pursuant to an "employee benefit program".

i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

j. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

B. For the purposes of the coverage provided by this endorsement:

1. All references to Supplementary Payments — Coverages A and B are replaced by Supplementary Payments — Coverages A, B and Employee Benefits Liability.

2. Paragraph 2. of the Supplementary Payments provision does not apply.

C. For the purposes of the coverage provided by this endorsement, Paragraphs 2. and 3. of Section II — Who Is An Insured are replaced by the following:

2. Each of the following is also an insured:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
- b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.
- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.

3. Any organization you newly acquire or

form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
- b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.

D. For the purposes of the coverage provided by this endorsement, **Section III – Limits Of Insurance** is replaced by the following:

1. Limits Of Insurance

- a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
 - (1) Insureds;
 - (2) "Claims" made or "suits" brought;
 - (3) Persons or organizations making "claims" or bringing "suits";
 - (4) Acts, errors or omissions; or
 - (5) Benefits included in your "employee benefit program".
- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
- c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
 - (1) An act, error or omission; or
 - (2) A series of related acts, errors or omissions

negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

2. Deductible

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
- b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
- c. The terms of this insurance, including those with respect to:
 - (1) Our right and duty to defend any "suits" seeking those damages; and
 - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"
 apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

E. For the purposes of the coverage provided by this endorsement, Conditions **2.** and **4.** of **Section IV – Commercial General Liability Conditions** are replaced by the following:

2. Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"

- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
 - (1) What the act, error or omission was

and when it occurred; and

- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
- b. If a "claim" is made or "suit" is brought against any insured, you must:
- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
- You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.
- c. You and any other involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

b. Excess Insurance

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period

shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:

- (a) No Retroactive Date is shown in the Schedule of this insurance; or
 - (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.
- (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
 - (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.
 - (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.

- F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Cov-

erage Part, replaces any similar Section in that Coverage Part:

EXTENDED REPORTING PERIOD

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
 - a. This endorsement is canceled or not renewed; or
 - b. We renew or replace this endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
 - (2) Does not apply to an act, error or omission on a claims-made basis.
2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.
3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The "employee benefit programs" insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first

received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph D.1.b. of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph D.1.c.

- G. For the purposes of the coverage provided by this endorsement, the following definitions are added to the Definitions Section:

1. "Administration" means:

- a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
- b. Handling records in connection with the "employee benefit program"; or
- c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.
4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
 - a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility require-

- ments;
 - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
 - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
 - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
 - e. Any other similar benefits designated in the Schedule or added thereto by endorsement.
- H. For the purposes of the coverage provided by this endorsement, Definitions 7. and 26. in the Definitions Section are replaced by the following:
7. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
26. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

POLICY NUMBER: 009 9836120 00

COMMERCIAL GENERAL LIABILITY
Form 10-02-1804 (Ed. 5-07)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PER LOCATION/PROJECT GENERAL AGGREGATE LIMIT
WITH COMBINED TOTAL AGGREGATE LIMIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE**Combined Total Aggregate Limit:** Not to Exceed \$15,000,000

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. Paragraph 2. under **SECTION III – LIMITS OF INSURANCE** is deleted and replaced by the following:

2. General Aggregates And Combined Total Aggregate

a. A General Aggregate Limit is the most we will pay for the sum of:

- (1) Medical expenses under Coverage C; and
- (2) Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard".

b. A separate General Aggregate Limit will apply to the sum of amounts that reduce the Limits of Insurance which we pay in connection with losses that take place at each:

- (1) "location" owned by you;
- (2) "location" rented to you; or
- (3) project taking place away from premises owned by or rented to you on which you are performing operations.

Project shall be deemed to include, collectively, all "locations" and sites on which you are performing operations that are called for in the applicable contracts or agreements pertaining to such project.

In the case that a project has been

abandoned, delayed or extended, or abandoned and then resumed, or if parties to a project have changed or deviated from blueprints, designs, drawings, maps, orders, plans, specifications or timetables, such project will be deemed to be the same project despite any such modifications.

c. A separate combined single General Aggregate Limit will apply to the combined sum of amounts that reduce the Limits of Insurance which we pay, other than amounts described in subparagraph b. above.

d. The rules described in subparagraph b. above apply solely to losses that can only be attributed to a specific "location" or project. All other losses will be subject to the rules described in subparagraph c. above.

e. The Combined Total Aggregate Limit shown in the Schedule is the most we will pay for the combined sum of amounts described above, regardless of the number of "locations" or projects.

B. For the purposes of this endorsement, the **Definitions** Section is amended by the addition of the following definition:

"Location" means premises involving the same lot or connective lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.